A HISTORY OF THE PHILADELPHIA SAVING FUND SOCIETY

1816 – 1916

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Present Office Building Nos. 700-710 Walnut Street

A HISTORY
OF
THE PHILADELPHIA SAVING FUND SOCIETY
1816-1916

BY
JAMES M. WILLCOX

PRESS OF
J. B. LIPPINCOTT COMPANY
PHILADELPHIA, U. S. A.

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THE PHILADELPHIA SAVING FUND SOCIETY

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PREFACE

This history of The Philadelphia Saving Fund Society was compiled from its minutes, records and account books to commemorate its centenary.

As it was the first savings bank in this Country to organize and to do business, it is proper that the expectations on the part of its friends and of the friends of savings banks of some account of its one hundred years of existence should not be disappointed.

The work might well have been entrusted to a more experienced hand, but the writer hopes that the affectionate interest engendered by a long family and personal association with the Institution, and which largely inspired him to undertake the task, has found sufficient expression in the narrative to partially compensate for its many imperfections.

Appreciative acknowledgments are due to Mr. Samuel Castner, Jr., for his kindness and personal efforts in making available his valuable collection of Philadelphiana for the purpose of acquiring and verifying information concerning early locations of the Society; to the Assistant Secretary, Mr. A. S. Fenimore, for his cheerful and untiring co-operation in procuring similar as well as biographical information unascertainable from the Society's archives; and also to the Assistant Treasurer, Mr. T. J. Beck, and to the Accountant, Mr. Samuel Kirkpatrick, for valuable help in collecting and arranging statistics from the records and account books.

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A HISTORY
OF
THE PHILADELPHIA SAVING FUND SOCIETY

I

THE ASSOCIATION

The history of Savings Banks has been told so often that it is unnecessary to repeat it here. It is proper however to say that the germ of the Savings Bank idea was active on the Continent of Europe long before the Ruthwell Parish experiment in Scotland, which fixed the date for computing the centenary of Savings Banks, celebrated at Edinburgh in 1910.

Modified by conditions and environment the development in the first quarter of the nineteenth century seemed to find a congenial soil in Great Britain and following small beginnings took on an immediate and continuous growth which culminated in the institutions now become such an important and familiar factor in the economic life abroad and at home.

The Savings Bank is the child of benevolence and political economy. The news of its rapid growth in Great Britain came to this country in journals and pamphlets that attracted the attention of some of the public spirited and thoughtful men of the day.

Among these was Condy Raguet, a native Philadelphian of French descent, born January 28, 1784, educated at the University of Pennsylvania, and afterwards a successful merchant. As a young man he twice visited Santo Domingo and evinced a literary bent by writing and publishing two accounts concerning it. As Colonel of a regiment he took a prominent part in the preparation for the defence of the City during the War of 1812. His interest in political economy at this time was evidenced by

"An Inquiry into the Causes of the Present State of the Circulating Medium of the United States," of which he was the author and which he published in 1815.

He is reported to have studied law and to have been admitted to the Philadelphia bar in 1820 when thirty-six years of age. This was after the founding of The Philadelphia Saving Fund Society in 1816, the City directory for that year showing that he was then in business, "Condy Raguet, Merchant, 80 Dock Street. Dwelling 308 Chestnut Street." Whether the study of law was intended as a part of a liberal education or in preparation for a career which shortly afterwards opened to him, or with the view of practising, we do not know, but it was not long after his admission to the Bar that he went to South America.

From 1822 to 1825 he was United States Consul at Rio Janeiro, and from 1825 to 1827 Chargé d' Affaires and as such successfully negotiated a treaty with Brazil. On his return to the United States he took rank as a publicist on free trade doctrines, contributing largely to the "Port-Folio," and other periodicals. He edited "The Free-Trade Advocate," (2 vols. Phila., 1829); "The Examiner" (2 vols. 1834–5); "The Financial Register" (2 vols. 1837–9); and was the author of "The Principles of Free Trade" (1835) and a treatise "On Currency and Banking" (1839) which was republished in London the same year and translated into French (Paris, 1840.)* His interests were active and varied: he served in the Legislature, was President of the Chamber of Commerce and a member of the American Philosophical Society, but it is safe to say that his most enduring claim to the grateful acknowledgments of posterity is as the originator of The Philadelphia Saving Fund Society.

He took an active part in all the early proceedings of the Association and was on the principal committees appointed to provide the machinery for its operation. He presented the first plan of association, was one of two to draft By-Laws, served on the first Acting Committee of the Month and first Committee of Finance, was one of the committee to prepare an address to the

*A letter of June 17, 1916, from Mr. Fairfax Harrison, the present President of the Southern Railway Company, pays this high tribute to Condy Raguet: "I venture to congratulate your institution on its pedigree from Mr. Raguet, who was a most able publicist. I have owed much to whatever clear thinking I have been capable of on financial questions to his lucid treatise on 'Currency and Banking.'"

public and the subsequent explanatory pamphlet, both of which will be found at length in this volume*; was on the committee to draft a Charter and a memorial to the Legislature requesting its enactment, and was one of the Incorporators.

At the December meeting, 1820, his resignation was presented to the Board in the following note:

"Philad. Novem. 24. 1820

Sir:

As I shall be absent from the City during the two ensuing winters, and probably a part of the intermediate summer, and shall not therefore be able to devote that attention to the interests of The Saving Fund Society which is required from a manager, I am under the necessity of tendering to the Board through you, my resignation.

With every wish for the prosperity of The Institution, and for the happiness of the individual gentlemen who have charge of its concerns

I subscribe myself
Very Respectfully
Sir
Your ob'd Serv't
Condy Raguet

Andrew Bayard, Esq.,
President of The
Saving Fund
Society."

It was thereupon resolved "That the consideration of Mr. Raguet's resignation be postponed indefinitely and that a committee be appointed to inform Mr. Raguet of the reasons for the non-acceptance of his resignation." A committee was appointed to so inform him and at the January 1st meeting, 1821, reported that they had written him the following letter:

"Phila., Decr. 18th, 1820.

Condy Raguet, Esq.

Dr. Sir,

The directors of the Saving Fund Society at their meeting on Monday the 4th of December, appointed us a committee to

*Pages 25 and 31.

acknowledge the receipt of your letter of the 24th ultimo and to inform you of their unanimous resolution not to accept the resignation as a director of the Institution tendered by your letter.

"In the performance of this duty it is incumbent on us to state to you the motives which induced the determination of the Board; and in this we have peculiar satisfaction, as it enables us to express to you our particular appreciation of your services to the Society and which are in exact harmony with those of the President and all the members of the Board of Directors.

"It is in the recollection of us all that the Institution is mainly indebted to you for its establishment and that to your efforts and counsel it owes many of its valuable features and much of its present prosperity and usefulness. That you should be induced, by the belief of your inability under your present engagements to give its concerns as much of your attention as you formerly did, to consent to relinquish all connection with it is an act which was to be expected from your delicacy; but is also an act which our sense of justice to the Institution will not permit us to consent to.

"As you have in your letter to the President and Board stated the reasons and motives for your offer of a resignation we may be permitted to examine them, and when we state to you that in our knowledge the greater portion of the time during which you will be absent you will be occupied in the performance of the high and respectable duties which have been entrusted to you by the confidence your fellow citizens entertain in your talents and integrity, we must be permitted to assure you that your absence on such duties strengthens the ties which bind you to us and augments our desire to retain you among us."

The report of the committee was adopted but Mr. Raguet attended no more meetings and his resignation was accepted at the July stated meeting 1821. This was shortly previous to his departure for Brazil. After his return he again became a manager in 1836 and remained one until the time of his death in 1842.

His letter of acceptance of his reappointment was written with characteristic modesty as follows:

"Philad. Decem. 19. 1836.

Sir.

Your note of 16th Inst. communicating to me that I had been appointed a manager of The Philadelphia Saving Fund Society, was received with those feelings of satisfaction which the honour thus conferred was calculated to produce. Having at a former period been an unworthy member of the Board, I consider my restoration after a lapse of seventeen years as one of those manifestations of kindness which flow from early associations, and in accepting the appointment I can only promise that attention to its duties which other engagements will permit.

Allow me, Sir, through you, to present my warm acknowledgments to the gentlemen of the Board, and believe me to be

With sentiments of true friendship
Very faithfully yours
Condy Raguet.

Clement C. Biddle, Esq.
President of The
Saving Fund Society."

He died in Philadelphia on March 22, 1842, and his body rests in what is now "The Hood Cemetery" at the corner of Fisher's Lane and Germantown Road.

On March the 6th, 1872, the Board adopted the following resolution:

"Whereas the records of the Society attest the fact that the late Col. Condy Raguet first suggested the initiatory movement thro' which this Institution was finally established, and Whereas this Board cherishing a profound regard for the memory of that distinguished gentleman, who besides originating the Institution, served it as a Manager for several years, his connection with it being only dissolved by death, are solicitous of obtaining a portrait of the deceased, which, it is understood, is now in possession of his widow:

"Be it therefore Resolved, That the President be requested to address a letter to Mrs. Raguet, expressive of the unanimous desire of the Board to place among the memorials of the Institution, the portrait referred to, not only in order that their personal gratification may be ministered to thereby, but that the

many thousands of our citizens for whose benefit the Society was founded, may have an opportunity of witnessing it."

In answer to the President's letter Mrs. Raguet wrote as follows:

"Philad., June 17, 1872.

Caleb Cope, Esq.,

Dear Sir:

In consideration of Mr. Raguet's early interest in the Phila. Saving Fund Society, of which you are now the honored President, I desire to present to the Institution, thro' you, the portrait of my beloved husband, the late Condy Raguet Esq. This portrait, in oil, was painted about 1836, by Mr.——— Fairfax of Virginia.* It gives me much pleasure to place this portrait where it will be properly appreciated and preserved, and I beg leave to express the wish that for the present I may be permitted to retain it in my immediate possession.

With great respect, I remain, dear Sir,

Yours very truly,

Catherine S. Raguet

619 Spruce St."

At the February meeting, 1877, the President stated that the portrait of the late Condy Raguet which had been presented to the Society by his widow but to be retained in her possession during her life time had been sent to the office by the executor of Mrs. Raguet, who had recently died, whereupon it was

"Resolved 1. That the Philad. Saving Fund Society gratefully appreciate the possession of the portrait of Col. Condy Raguet, one of the founders of the Society, and with whom originated the idea of establishing such an Institution, in our City, for the custody of the savings of its industrious poor.

Resolved 2. That a copy of the above resolution, duly attested by the Secretary, be presented to William L. Mactier, Esq., executor of Mrs. Raguet, who directed some years ago that the

*The only artist of the name we have been able to identify is William Henry Fairfax (1804-1837) whose other work in composition and technique is said not to compare with the Raguet portrait. Expert opinion inclines to attribute it to some one of the better known artists of the day.



Condy Raguet
The Founder of the Society

portrait of her distinguished husband should become the property of the Society at her death."

That Condy Raguet first conceived the notion of establishing a Savings Bank in Philadelphia is therefore well attested by the minutes and traditions of the Society. Possessed of an amiable and benevolent disposition and deeply interested in the study of political economy, it was natural that he should have been keenly alive to the developments of the Savings Bank movement abroad and susceptible to its appeal to enlightened philanthropy.

An interesting corroboration of the foregoing account of the origin of the Society exists in a letter written by Mr. Raguet nearly thirteen years after the event and in a short sketch written by Mr. Clement C. Biddle, one of the founders of the Society and subsequently its President. These documents give particulars of what transpired before the record was taken up by the minutes. Mr. Raguet's letter is as follows:

"Philad. Septem. 28. 1829.

Dear Sir.

"It often happens that matters which in themselves possess no real importance, acquire by the lapse of time an interest, which at the period of their occurrence was not foreseen. This is particularly the case with the originating of some of those numerous Institutions which have been created in our City, for the promotion of the comfort or the happiness of Society, and as you and I were instrumental in the founding of one of the most beneficial establishments which has received the attention of the Philadelphia publick, I propose to unite with you in placing on record some evidence of that fact. I allude to the 'Saving Fund Society' which has now been in successful operation since the year 1816, and which was the first Institution of the kind established in The United States.

"Without pretending to deny that other individuals besides ourselves in this City had become acquainted with the establishment in Great Britain of Savings Banks, and of their beneficial operation, I shall only state to you, as far as my memory serves me, the details which led to the organization of the Society in question, and should your recollection accord with mine, I

would suggest the propriety of placing in possession of that body a copy of this letter and of your answer, (or the originals themselves), in order that our claim to the earliest agency in its formation may be canvassed, whilst there are still in the Board of Managers some of the original members. This you may consider perhaps as attaching importance to the subject which it does not merit. This may be so, but as I have learned that already some obscurity has been thrown over the origin of the Institution, and that the credit of its formation has been by some supposed to belong to others, I think it due to historical accuracy that the true state of the case should be known to our successors.

"The facts, as nearly as I can recollect, are these. Having in the year 1816 become acquainted with the existence and nature of Savings Banks in England, by the means of some recent publications, I resolved to propose to some of my friends the establishment of one in this City, and in proceeding one day along Chestnut Street, near Fourth Street, with the subject fresh on my mind, I met you, and immediately asked you if you were acquainted with the nature of Savings Banks, and if you would unite with me in the endeavor to establish one.

"You instantly replied that you had been thinking on the same subject—that you had resolved to make a similar effort—and that you would co-operate with me in immediate steps. It was, I believe, during this first conversation that I suggested the idea that as the name of 'Bank' had become so unpopular with the Legislature, it would be expedient to call the Institution by some other name in order to secure a Charter, and your judgment agreeing with mine on the subject, the title of 'Saving Fund Society' was agreed to be recommended. Our first step was to make out a list of gentlemen of respectability and known publick spirit from amongst our mutual acquaintances, sufficient to hold a meeting, and invitations were sent them to meet on an early fixed day, at the office of the Pennsylvania Life Insurance Company, of which I was at that time President. I have no recollection of the number of gentlemen invited to attend that meeting, but understand from Mr. Billington, the Secretary, that the minutes in my handwriting are in posses-

sion of the Society, and I understand also from him that the minutes of two other meetings, held before he was elected, are also extant, so that nothing is wanted to render the history of the Institution complete, except the part that related to the manner in which the original meeting was assembled, and which is now supplied by this statement.

I am truly & respectfully
Your fr'end & sev't,
Condy Raguet.

Richard Peters Jr. Esq."

Mr. Peter's reply cannot be found. With regard to the same matters Mr. Biddle wrote as follows:

"On or about the 20th of November, 1816, Mr. Condy Raguet noticed in the recently received English journals an account of the establishment of Savings Banks; and on the same day, when on his way to his office, meeting with Mr. Richard Peters, junr. at the S. E. corner of Fourth & Chestnut Streets, introduced the subject to him of the expediency of establishing a similar Institution in Philadelphia; then passing down Chestnut to Third Street, and thence to Walnut Street, when near the old Bank of the United States they met Mr. Clement C. Biddle and shortly after Mr. Thomas Hale, and passing on they assembled at the office of Mr. Biddle where the propriety of establishing such an Institution was discussed and agreed upon; and it was then decided to call a meeting on Monday the 25th inst. for the purpose of considering and at once acting upon the suggestion of Mr. Raguet."

These were the founders of the Institution and first among them, *primus inter pares*, was Condy Raguet.

Of the remaining three Thomas Hale and Clement C. Biddle became Presidents of the Society and more will be said of them in the chapter on Officers. The fourth, Richard Peters, Jr., was a member of the Board until the January meeting, 1840, when his resignation was accepted. He was the second son of Richard Peters who for thirty-six years was a Judge of the United States District Court for the Eastern District of Pennsylvania, a man of great distinction in the social and professional life of the City.

Richard Peters, Jr., was born August 4, 1779 and was admitted to the Philadelphia Bar in 1800. He was United States District Attorney in 1813–15; Solicitor for Philadelphia County in 1822–5; succeeded Henry Wheaton as reporter of the United States Supreme Court and in addition reported Circuit and District Court decisions. He also edited "Chitty on Bills of Exchange."

While not formally appointed Solicitor of the Society, as in its formative period there was none and moreover as a Manager he could not have taken compensation for his services, he nevertheless practically acted in that capacity, and the minutes show that in its early days the Society owed much to his deep interest, active participation and careful guidance. To the time of his resignation he was one of the most valuable members of the Board, as from early and continuous association no one was more familiar than he with the origin and growth of the Society. He died May 2, 1848.

Accordingly, the proposed meeting was duly held on November 25, 1816, at the office of the Pennsylvania Company for Insurances on Lives and Granting Annuities in South Second Street, of which Mr. Raguet was President. Whether any gentleman was invited to become an organizer and declined there is nothing to show, but from the minutes of the meeting of November the 25th it appears that there were present John Strawbridge, Thomas Hale, John C. Stocker, John McCrea and Condy Raguet, and that the others, exclusive of the founders, not present but who had agreed to assist in the undertaking, were Roberts Vaux, William Schlatter, Charles N. Bancker, Samuel Breck and Andrew Bayard.

Frequent quotations from the minutes will appear in the course of this narrative as an original source of information calculated to convey to the reader of to-day a little of the atmosphere of the time at which they were written. It seems well to let them tell their own story. In the present connection the recital is "Twelve gentlemen having agreed to unite themselves for the purpose of establishing a Society after the plan of the Savings Banks of Great Britain" etc. "a plan of an Association was submitted by Mr. Raguet with some publications, English and



Richard Peters, Jr.

American, explanatory of the objects and principles of Savings Banks, which plan having been read was amended and ordered to be recopied."

What were doubtless some of the original English and Scotch publications submitted for consideration are in the archives of the Society. A comparison of the Articles of Association with them shows with what good judgment the Managers discriminated between the plans under consideration and modified and adapted them to meet the conditions in this Country. In Scotland two methods of organization had been adopted: one typified by the parish bank at Ruthwell, founded in 1810, and the other by the Edinburgh Savings Bank, founded in 1813. It is worth while to say a few words in explanation of these two systems as their merits were a subject of acute controversy between their respective partisans for some years, and because these were the plans before our first Managers for analysis, selection and adaptation to our requirements. We shall therefore quote freely from a standard work on the history of Savings Banks written in 1866 and which is generally conceded to be the best book on the subject down to the time of its publication. The former system was assimilated to the Friendly Societies, the members of which were admitted to a share in their management. It consisted of ordinary, extraordinary, and honorary members.

"The ordinary members were the poor who deposited their savings; the extraordinary, those who paid to an auxiliary fund* an 'annuity' of 5s., or a single donation of 2*l.*; and honorary members were those who paid to the same fund an 'annuity' of 1*l.*, or a single donation of 5*l.* The general business of the Society was transacted by a Court of Directors, consisting of a Governor, five Directors, a Treasurer, and one or more Trustees, to be chosen from the honorary and extraordinary members. The court acted under the superintendence and control of a Standing Committee, which consisted of fifteen persons chosen from the self-same kind of members. Both of these bodies were subordinate again to the General Meeting, composed of all the members of the two courts mentioned, and all the ordinary members of six months' standing. We scarcely think there could be any

*See p. 158 this vol.

possible necessity for such elaborate machinery.* * * * * Before a person's first deposit could be received, the elaborate machinery of management commenced to make inquiries into the age, the family affairs, and moral conduct of the proposed contributor, and according to the report which followed, it was considered whether his deposits would be admitted at all, or if admitted, what rate of interest it would be proper to allow. * * * * *

"We have already alluded to the Edinburgh Savings Bank, instituted after the parent bank at Ruthwell, and to some extent upon its model; the offspring, however, in many points presented a happy contrast to the Ruthwell Bank, in the simplicity and greater fairness with which its affairs were managed. As it is now a matter beyond doubt that many banks formed subsequently were started on the model of the Edinburgh institution, a few words of description of its principal new features may not be out of place. All depositors were paid the same rate of interest; they deposited their savings without any preliminary investigation of any sort; and whilst the management was not left, even in part, to the classes it was designed to benefit, contributors had nothing to do but pay in such sums as suited them, and withdraw at pleasure, altogether as the classes above them would deal in the ordinary bank. * * * * It is very interesting at this distant period to see how nearly identical with the modern Savings Bank this early one was, or rather, we think we ought to say, how closely the example of the Edinburgh Bank has been followed."*

Speaking again of the matter as it existed in 1819, about the time of the incorporation of this Society, this author goes on to say:

"The radical difference observable in the two classes of banks—and there were at this time 182 Savings Banks in Scotland with 7000 depositors, and deposits to the amount of 30,000*l.*,—was the difference between the Parish Bank at Ruthwell, and the Savings Bank at Edinburgh, for on one or other of these models all the Scotch banks were with very few variations formed. Mr. Duncan placed, or intended to do so, the management of his bank in the hands of the whole body of depositors; the Edinburgh bank excluded all popular interference in its management,

*Lewins' History of Savings Banks, 1866, pp. 36-40

and left every one to deal with it or not, at their pleasure. The Ruthwell Bank confessedly, and as we have seen, partook of the nature of a Friendly Society; the Edinburgh bank as nearly as possible approached to the character of a commercial undertaking. The founder of the former was thus an advocate for minute regulations, while the patrons of the latter wished to be left at liberty to manage their affairs in their own way, and only to call in the help of the Legislature when real grievances needed redressing." *

In England both systems seem to have been adopted. The provision in this Society's Articles of Association for a single board of managers with power to appoint officers, trustees and to fill vacancies in their own body was the simplest that could be devised. It was patterned after the Edinburgh System from which it differed chiefly in details, but not principle, of organization; in paying on notice,† in making its own investments and in taking care of its accumulated funds instead of throwing the responsibility on to the ordinary banks as all the Scotch Savings Banks did.

But differences in the manner of investing will be noted in a subsequent chapter of this history devoted to Deposits and Investments.

Among the features copied were the use of Trustees and provisions for regulation of interest rates; minimum of deposit and of amount on which interest would be paid; calculation of interest by months excluding fractional parts thereof; limitation on individual aggregate deposits; prohibition of emolument to Managers, the actual receiving and paying of deposits by Directors, etc.

The eight gentlemen who united with the original four have been designated in the publications of the Society as "Associate Founders." The next meeting was held at the same place two days later, November 27th, at which there were nine present. The amended plan of association was read and with some alterations adopted, but this action, as appears from subsequent minutes, was not final. The text of these Articles of Association is not given but from those adopted a few days later it is

*Do. p. 58

†The other type of Scotch banks and the English banks seem to have required notice.

apparent that an enlargement of the number of Managers had been provided for, which explains the statement in the minutes "Samuel Spackman was proposed and elected a member of the Association," although at that time there was no vacancy in the Board. The founders and their associates were all men of prominence in the business, professional and social life of the City, whose names stood as a guarantee of good faith and intelligent, prudent management.

On November 28th a third meeting was held at the office of the United States Insurance Company No. 49, now 133, Walnut Street next to the N. E. Cor. of 2nd and Walnut Sts. The two following meetings were held at the same place, due probably to the fact that John C. Stocker, one of the associate founders of The Philadelphia Saving Fund Society, was a director of that Insurance Company. This third meeting was attended by six members who unanimously elected Andrew Bayard President of the Society and appointed a committee "to wait upon him to obtain his consent to serve."

On the following day, November 29th, there was another meeting at which George Billington was chosen both Secretary and Treasurer at a small salary "and the use of his office." A fifth meeting was held on the next day, November 30th, at which the Committee reported that Mr. Bayard had accepted the Presidency.

Although Mr. Raguet stated in his letter of September 28, 1829, his belief that in his first conversation with Mr. Peters he had in contemplation the procurement of a Charter, the minutes at this time directly disclose nothing on the subject; but still the question of the personal liability of the Managers which came up almost immediately, as we shall see, no doubt had suggested the matter at a very early date to the consideration of members of the Board.

The English and Scotch prototypes were simple associations and it was foreseen that it would be necessary to appoint trustees in whom title to the assets of the Association could be vested. A committee was therefore appointed at this meeting "to wait upon the President and Cashier of the Bank of the United States to request their acceptance of the situation of trustees of the

Institution." A resolution was also passed increasing the number of managers to twenty-five. On December 2nd the Society opened its doors for business at Mr. Billington's office, No. 22, on the West side of South Sixth Street.

At seven P. M. of the same day the Board met at Rubicam's Tavern, No. 20, next to the office, considered but postponed action on Articles of Association, appointed a committee of two to obtain books and stationery, another committee to draft By-Laws and a third as the Committee for the Month.

Another meeting was held at Rubicam's Tavern on December the 4th at which the first President for the first time presided. The Articles of Association were read by paragraphs and adopted. In these we find for the first time the title "The Philadelphia Saving Fund Society."

After their adoption a committee was appointed "to prepare an address to the public and to publish the same, together with the Articles of Association and a list of the officers." At the following meeting, December the 9th, the committee reported "that they had performed the duties enjoined on them and that the address etc. had been published."

The Freeman's Journal & Philadelphia Mercantile Advertiser of Friday morning, December 13, 1816, contained a copy of the publication as follows:

"ADDRESS
of
The Philadelphia Saving Fund Society
TO THE PUBLIC.

"To promote economy and the practice of saving amongst the poor and laboring classes of the community—to assist them in the accumulation of property that they may possess the means of support during sickness or old age—and to render them in a great degree independent of the bounty of others—is a duty incumbent upon all, who by their services or advice have it in their power to effect so desirable an end. Of the charitable Institutions that have had for their object the amelioration of the human condition, none perhaps deserve higher commendation than those which, under the title of *Provident Societies or Sav-*

ing Banks, have lately been established throughout the kingdom of Great Britain. Their design is to afford a secure and profitable mode of investment *for small sums* (returnable at the will of the depositor on a short notice) to mechanics, tradesmen, laborers, servants *and others*, who have no friends competent or sufficiently interested in their welfare, to advise and assist them, in the care and employment of their earnings, and who frequently, from a total ignorance of the accumulating power of money, neglect to provide beyond the wants of the day. To such individuals, we say, these associations hold out the offer of *disinterested friendly services*, and whilst they do so, they pledge the names and characters of those who conduct them, that the confidence which they invite shall never be violated by mismanagement.

"In imitation of those laudable establishments, a number of the Citizens of Philadelphia have associated for similar objects, and aware that without the co-operation of the great body of the community, the benefits of the Institution will not be so widely dispensed as they are capable of being—they respectfully solicit the attention of the public to the following Plan of their Association. If masters would communicate it to their servants, and manufacturers, mechanics and tradesmen to their workmen, a knowledge of the existence of the Institution and of its beneficial objects, would soon be circulated far and wide, and its effects could not fail to be visible in the conduct and morals of many.

"A pamphlet will soon be published for *gratuitous distribution*, which will contain some short tables of the amount which will be produced in a certain number of years, from the weekly or monthly savings of certain small amounts, and it is hoped that those into whose hands it may fall, will use every endeavor to make the contents of it known to those who they think can be benefited by the information. It will be observed that the plan of this association differs in one respect from some of those established in England. In the latter a *specific interest* is not allowed but in place thereof such interest is calculated as will be produced from the Government Stocks, at the days upon which deposits are made, and the depositor has at his risk the occasional fluctuations. To avoid such uncertainty as well

as to facilitate the calculation of interest, which upon small amounts would be exceedingly laborious, it has in this Institution been deemed most advisable to stipulate the rate of interest whereby all may derive a *certain and similar revenue.* This rate has been fixed at *near five per cent.* which is the most that, taking into consideration the interest on Public Securities, the expenses of the establishment, and the risk of fluctuation in prices, can prudently be allowed. Still, however, should the profits of the business exceed the necessary expenditures, their amount will be divided every three years amongst the depositors who have remained such during the preceding year.

"With this exposition of its views, the Society presents to the Public the following Articles of Association, in the confident expectation that its motives may be properly estimated, and that it may meet with the general support of the community.

"The office of the Society, *which first commenced its operations by the receipt of deposits on Monday the 2d inst.* will be open every *Monday* morning from 9 to 11 o'clock for the deposit of money, and on every *Thursday* during the same hours, for the payment of such sums as may be withdrawn, at No. 22, south Sixth Street, between Market and Chestnut Streets.

OFFICERS OF THE SOCIETY.

"*President*—Andrew Bayard.

"*Managers*—Samuel Archer, Richard Bache, Charles N. Bancker, Clement C. Biddle, Samuel Breck, John Brown, (N.L.) Turner Camac, Israel Cope, Reuben Haines, Thomas Hale, Henry Hollingsworth, Samuel Humphreys, Adam Konigmacher, John McCrea, John Moore, Israel W. Morris, Richard Peters, Jr., Condy Raguet, William Schlatter, James Schott, Samuel Spackman, John C. Stocker, John Strawbridge, Roberts Vaux.

"*Secretary and Treasurer*—George Billington.

"*Trustees*—The President and Cashier of the Bank of the United States.

dec. 13."

Then follow the Articles of Association.*

*Appendix I

At the previous meeting on December 4th it was resolved "That towards defraying the immediate expenses of the Institution, each member of the Board pay into the hands of the Treasurer the sum of Ten dollars."

This proceeding was also strictly in accordance with precedent. In one of the early English publications, probably furnished by Mr. Raguet, and entitled "Observations on Banks for Savings" it was said: "By a large district being included, gentlemen of property are found to become Trustees and Managers, and a Fund is easily furnished by small voluntary subscriptions at first, and by the surplus of the interest allowed to the depositors afterwards, to meet all the expenses of the Institution." In fact the regulations of some of these institutions provided for two funds called respectively the "Deposit Fund" and the "Auxiliary Fund," the latter consisting of "donations from those desirous of promoting the establishment, which shall be considered an auxiliary fund to meet any expenditure which may occur beyond what the usual funds of the institution can support."

A resolution was also passed appropriating Fifty dollars "to defray the expense of printing a small pamphlet containing an address to the public and such tables and observations as may be deemed advisable by a committee to be appointed for that purpose."

The personnel of this committee and of the preceding committee on publication was the same, Condy Raguet, Richard Peters, Jr , and Roberts Vaux. The pamphlet provided for in the second resolution was to supplement by argument the first address, which was merely a statement of the objects of the Society. Further reference to this pamphlet will be made later on. The third of the Articles of Association provided that the Managers "could by ballot fill any vacancy in their own body," which they had been doing by the election of Richard Bache, Samuel Archer, Reuben Haines, Henry Hollingsworth, Turner Camac and Adam Konigmacher, but without the one month's notice therein provided. At the same meeting at which the Articles were adopted, December the 4th, a resolution was passed creating a committee "to wait on the gentlemen nominated by the Managers present and out of them to fill up the number of Managers." From the foregoing resolution it would appear

that the nominations exceeded the vacancies as an offset against non-acceptances and that an election to the Board was not regarded as the honor in which it is held to-day. Accordingly on December the 9th "the Committee on Election appointed on the 4th inst. made report that they had filled up the number of Managers with the names of the following gentlemen, viz: Israel Cope, Samuel Humphreys, John Moore, Israel W. Morris, James Schott and John Brown" and so for the first time the Board of twenty-five was apparently complete, but it subsequently transpired that Messrs. Morris, Moore and Brown declined, thus leaving three vacancies which were filled March the 4th, 1817, by the election of Isaac W. Norris, Samuel B. Morris and Joseph Rotch. The meeting of December 9th was the last of the organizing meetings and the last to be held in any office but the Society's own. The first two had been held at the office of the Pennsylvania Company; the next three at the office of the United States Insurance Company and the last three at Rubicam's Tavern.

The meetings held at the Insurance Companies were about midday while those at the Tavern were at seven o'clock in the evening. The custom among many people was to dine at about three or four o'clock and take the evening repast at about seven thirty or eight o'clock. These evening meetings at seven o'clock also occurred later on at the Society's office. No doubt the accustomed leisure of their evenings, due to the absence of the many social demands and diversions of a later period, made it convenient for the Managers to meet at the hour mentioned.

At the meeting of December 9th By-Laws were adopted to which we are indebted, in the first instance, for the stated meetings on the first Monday in each month. Adjournment was taken to meet at the "office of the company" from which it is surmised that in accordance with the terms of Mr. Billington's appointment the meetings thereafter were to be at his office.

About this time the question arose whether under the Articles of Association the Managers and Trustees were incurring any personal liability for losses that might occur in the management of the funds entrusted to them. The committee appointed on December 14th reported to the first stated meeting of January 6, 1817, that they had submitted the matter to counsel who

advised that the liability did exist. The committee then stated they had "no hesitation in declaring as their opinion that such responsibility in the Managers is fraught with injustice to themselves and their heirs and not attended with any permanent advantage to the depositors as the Managers on the prospect of any loss materially affecting the Stocks would doubtless return their money to the depositors agreeably to the 17th Article. The Committee think that such an event would certainly cause a dissolution of the Association which would be productive of evils that would outweigh all the previous good. The sums with interest returned to many individuals might be a greater amount than they had ever before possessed in hand at one time, and with its possession might cause bad habits that would not otherwise have been indulged in. Besides the Association once dissolved could not readily be reorganized; confidence in its stability being lost it would cease 'to promote economy and the practice of saving among the poor and labouring classes of the community.' It appears to the Committee that to insure usefulness and duration to this Institution it should be constructed on principles durable as charity itself and freed from every feeling that can operate on the fear or interests of the Managers."

The matter was then arranged by the adoption of an additional article to the Articles of Association and the amendment of another under which the depositors were to agree to release the Managers from personal liability, which they would do by subscribing to them in accordance with Article 17.

The same question had arisen in England where it was met in at least one case by limiting deposits and establishing a higher bank into which depositors might remove their money when it reached the limit and where it might be allowed to accumulate to any amount. A manager of the Liverpool Mechanics, Servants' and Laborers' Fund, a Bank for savings established in 1813, wrote in 1816: "We had placed 300£ upon mortgage, and the remainder was vested in the Navy 5 per cents, at such prices as to yield more than 5 per cent. When, however, we found that the fund was likely to increase to a very considerable extent, and that, as we were personally responsible for the money, we should always be liable to the fluctuations of stock, and might,

upon any sudden disaster, have a run upon us, which would compel us to sell out, perhaps at a considerable loss, it was determined in future to limit," etc.*

At the meeting of March 3, 1817, the committee appointed December the 4th, 1816, to prepare and publish a pamphlet submitted the same and the committee was authorized "to give such publicity to the establishment as they may find practicable and deem useful." At a later meeting the committee reported that fifteen hundred copies had been printed whereupon it was resolved "that a notice be put in Poulson's paper informing the public of the pamphlet." As previously said it was the argumentative supplement to the "Address" and is given at length here because it sets forth in the words of its founders the reasons for the establishment of the Society and the obstacles to be overcome.

" 'The way to wealth is as plain as the way to market. It depends chiefly on two words, *industry* and *frugality;* that is, waste neither *time* nor *money,* but make the best use of both. Without industry and frugality nothing will do, and with them everything. He that gets all he can honestly, and saves all he gets, necessary expenses excepted, will certainly become *rich,* if that Being who governs the world, to whom all should look for a blessing on their honest endeavours, doth not in his wise providence otherwise determine. FRANKLIN.'

"The objects of the Saving Fund Society are sufficiently stated in their address to the public, and the principles by which their transactions are to be regulated, as well as the means by which the accomplishment of those objects are sought to be effected, will be found in their Articles of Association and in their fundamental rules. But it is not by the simple statement of plans to do good, or by the plain development of the manner in which it is proposed to be done, the approbation of such plans and the aid and consent of those to their adoption, for whom their benefits are intended, can always be secured. With many, the novelty of any scheme is a sufficient objection to it; and with more, jeal-

*Quoted in "An Essay on the Nature and Advantages of Parish Banks," 1816, by Rev. Henry Duncan.

ousy of the interference of others in concerns not their own, and of efforts to interpose between them and established habits, furnish strong grounds for objection to purposes such as the Society is desirous to achieve. But while it is admitted that opposition to new projects is often well founded, and that the distrust which is felt towards those, who unsought offer counsel, is frequently justifiable, the motives which have dictated the following explanations it is hoped will afford their apology, and obtain for them the consideration of all for the promotion of whose welfare they are intended. These motives have their origin in sincere wishes to promote the happiness of a large portion of the community.

"In the establishment of the Saving Fund Society no views of individual interest prevailed among the persons who originated and who now conduct it. For some years the expenses of the Institution must be borne by private donations from the Managers, who have already advanced the sum of two hundred and fifty dollars for these purposes; and as soon as the expenses shall be more than paid by the amount of the interest received on the funds of the Society, the excess will become the subject of a dividend among the depositors, or those who shall place their savings under the protection and management of the Association.

"Next to the conviction that not their own but the benefit of others, are the objects of the Managers of the Society, it is essential to be known that complete and absolute safety and security is provided for the property of those who deposit their earnings with it. All sums received, are by the immutable rules of the Institution, to be invested in the public funds of the nation, and of the safety of such investments none can doubt. The property of every member of the community, its faith and its honour are pledged for the redemption of this debt, and in such pledges who will hesitate to confide. For the faithful and diligent management of the property entrusted to their care, the character and talents of every one of the Managers are staked.

"With these necessary requisites of disinterestedness in those who are its agents, and safety for the property of those whose interests it seeks to promote, what are the benefits to be derived from the Saving Fund Society.

"The extent to which accumulations from small savings will

grow, is greater than on a superficial view of the subject would be supposed. When it shall be recollected that from contributions of one penny each to the British and Foreign Bible Society, in the year 1814, more than one hundred thousand dollars were laid out in the purchase of Bibles, the product of such savings will be fully admitted and appreciated. If from such small donations by the frugal and pious, benefits so extensive as those which the dissemination of upwards of one hundred thousand volumes of the book of truth, were bestowed, what will savings equally within the power of all, and every item of them greater in amount than those, become in a few years, if carefully preserved and profitably invested. It requires not the retrospect of years, that of months or even days is sufficient, to show to most of us, how much we have wasted of what might have been saved, and what we have lost, which by slender efforts might have been preserved.

"But the usual situations in which many individuals are placed do not furnish the opportunities to preserve if they afford the means to procure such frugal savings. The continual occupations of the industrious mechanic frequently exclude him from a knowledge of the methods by which his earnings, beyond what is required for his support, can be protected and advantageously invested. A profitable employment of these fruits of his labour and economy is generally beyond his attainment; and all persons who like him could gather the means of future fortune from small earnings carefully managed suffer the same inconveniences. The honest and faithful domestic, whose weekly or monthly wages exceed by a few shillings or dollars the sums required by his necessities—the apprentice, whose early skill in his business enables him to gain by 'over work,' in each month a few dollars—the day labourer, who in the busy and profitable months of spring, summer and autumn, finds himself possessed of more than his support and that of his family demands; all of these it is presumed would most willingly deposit these gains in some place of profit and safety, and they have heretofore sought in vain for such advantages.

"In numberless instances these earnings of honest industry have been confided to the management of the artful, or have been loaned to the vicious and profligate; in others, and these are also multitudinous, these frugal savings have been given to relieve

the wants of the unworthy, or to assuage sufferings, which habits such as those from whose earnings relief has been undeservedly obtained would have secured from want and suffering. How many among the industrious and frugal, the virtuous and happy, for industry and frugality are the parents of happiness and virtue, by the disappointments which have been produced by confidence improperly placed, or ingratitude for benefits blindly conferred, have lost all motives to economy, and may attribute to these causes an entire change in their lives and conduct.

"It is for the interest of all such persons; to enable the industrious and economical of all descriptions to provide in youth for the increased expenses of advanced life; for the advantage of all whose profitable exertions and frugality procure for them something, however small, beyond their wants, and thus to promote industry, temperance and morality, the Saving Fund Society has been established; their personal attention and the exercise of their best judgment in its business and concerns, the assumption of an extensive and various responsibility, and the willing contributions of the Managers for the accomplishment of its objects been devoted; and for all these they will be amply compensated by the success of their efforts.

"But general encouragement, and extensive employment of the opportunities for saving which it offers, can alone secure the benefits which are calculated to result from this Institution. If the interests of society will be promoted by these reforms in the manners and habits of the poor, which economy and exertions among them must produce, it becomes imperatively the duty of every member of the community to foster the design, and promote the views of this Institution. It is not in the power of the Managers, unless thus assisted, to make known their objects, much less to explain them to those for whose benefit they are intended. The usual means of communication between individuals cannot be successfully employed with those persons, as by few of them newspapers are read, and statements in any other printed form will not reach them. It is therefore earnestly requested that pastors of religious congregations, preceptors of schools, heads of families, master mechanics, guardians of orphans, officers and members of economical and charitable societies,

will become active agents in promoting and recommending the purposes of the Saving Fund Society. How rich will be the reward of all these, if by their kind auspices, and prompted by them, habits of needless expenditure, wasteful of health and morals, as such habits are ever, shall be abandoned for those of temperance and frugality; and among those who before may have been claimants of their compassion and charity, poverty and its attendant vices and miseries shall become strangers.

"In their expectations of extensive usefulness from the Saving Fund Society, by the general employment of the means of gradual accumulation and ultimate provision for the casualties of life, and the wants of age, the Managers are greatly encouraged by the known existence of numerous benefit societies in the city and county of Philadelphia. These societies and their prosperity sufficiently indicate that the means of providing for future necessities, and the disposition to make such provision, exist among a great number of individuals. Benefit societies properly directed, have been, and will continue to be useful. Their funds, as is well known, are formed from small payments, made weekly or monthly by the members, and the purposes for which these contributions are made, are to afford aid to the individuals in the society, who by sickness or misfortune become unable to follow their usual avocations. But without entertaining a wish to diminish the number of those societies, and with the highest consideration for the objects they have in view, it is submitted that the advantages offered by the Saving Fund Society are greater, and are of a more inviting and cheerful character, than those which can be obtained by the plans of such establishments. The payments to a benefit society, as has been observed, have nothing attractive in them. They are not deposits made for future comfort and enjoyment, but a provision against sickness, the inevitable infirmities of old age, and the expenses attendant upon death. These deposits are also subject to many accidents, and by the fraud and dishonesty of the agents of the society, or by the misconduct of its members, the whole of its treasures are sometimes wasted, or directed to improper purposes. Often, after years of uninterrupted contributions, and when the aged and infirm count with confidence on a sure provision from the society for sickness and their widows,

they find these expectations entirely defeated. As the funds of the society are always within the power of the majority, an instance occurred in London, in which, as is related in the Quarterly Review, No. XXIX, page 218, 'the younger members passed a vote for dissolving the society, and dividing the funds, thus defrauding the old members of that provision for which they had so long contributed, and the young villains then formed a new society among themselves, and left the old men to the parish.' *

"If these considerations shall not be considered sufficient to induce some who are members of the benefit societies to appropriate a part of their earnings to the Saving Fund Society, it is confidently hoped that the security and profit which that Institution offers to all who shall deposit their funds with it, will induce the adoption of a resolution by every one of those societies, under which it will become the bounden duty of their officers, to deposit whatever funds they may have in their hands unemployed, with that Society. This measure will place the property of those provident and useful institutions beyond the power of many of those catastrophes to which it has hitherto been exposed; and as the sums so placed may at all times be withdrawn on a short notice, the operations of these associations will not thereby be in anywise impeded.

"In no country, if not in ours, can such an institution as the Saving Fund Society succeed. To all the opportunity of profitable employment is here constantly afforded, and industry and skill have among us greater rewards than in any part of the world. The means of saving are therefore within the power of every one; and after providing for his necessities, he who is industrious and frugal will always have something left, small as this residue may be, which if husbanded and added to his subsequent earnings will accumulate, and soon become considerable. If in youth these savings are not idly spent, but invested in a secure and profitable fund, they will when manhood shall be attained, enable their owner to purchase the implements and tools of the trade by which he is to obtain a subsistence throughout life. If after this period those habits of economy are continued, and the

* "A circumstance somewhat resembling this, recently took place in the neighbourhood of the City of Philadelphia."

increased opportunities for gain which will be in the power of such an individual are properly employed, a provision will soon be secured for marriage and a family, and if extended to middle life, they will furnish ample resources for the evening of existence, and secure for it comfort and independence.

"But if all have opportunities to acquire property, habits of saving are not possessed by all. The waste which almost every individual commits, small as it may appear at the moment, becomes great by repetition and continuance. 'Every little makes a mickle,' says Dr. Franklin; and 'a small leak will sink a great ship.' Habits of expense are readily adopted, and if once embraced are parted from with difficulty, and restrained with pain. To guard against their commencement, is therefore all important. 'It is easier,' says Poor Richard, 'to suppress the first desire, than to satisfy all that follow it.'

"The true art of saving will be found to consist in the cultivation of moderate wishes, and in the avoidance of intimacy with the idle and the dissipated. Motives to useless expenditure have no place among those whose desires are confined to those objects only which are necessary to their comfort and health. It is therefore by the constant employment of time, by frugality, and the cultivation of virtuous and restrained habits and dispositions, that the sure foundations of comfort and competency are laid. If these are in the power of all, and that they are none will deny, to every individual in society is given the means of happiness. To every one we would then address the eloquent and expressive language of Dr. Franklin:

"'Let honesty be as the breath of thy soul, and never forget to have a penny when all thy expenses are enumerated and paid; then shalt thou reach the point of happiness, and independence shall be thy shield and buckler, thy helmet and crown.'

"In conformity to the promise made to the public in the address of the Society, the following tables are given, by which the amount produced by small and moderate savings in the number of years there stated are proved. The calculations are made for those who are not familiar with the progressive increase of numbers, and as inducements to that frugality, by which the accumulations they show may be realized.

"AN APPRENTICE

To any of the mechanic arts or trades, who by *over-work* can earn from his master one dollar per week, (and many of them earn more) at the end of five years may, *by depositing his gains weekly* with the society, have a capital when he is free, sufficient to set him up in many branches of business—his one dollar a week would amount

In	1 year to . . .	$ 54
	2 years . . .	109
	3	167
	4	229
	5	293

"A MALE DOMESTIC.

A coachman or waiter who receives from eleven to fifteen dollars per month could lay up four dollars per month out of his wages. If he does not do that, the probability is, that when he becomes old, he will die in want. But if he is prudent and saving, he will grow rich, as will appear from the following table. His savings will amount

In	1 year to . . .	$ 49
	2 years	100
	3	154
	4	211
	5	270
	6	332
	7	397
	8	465
	9	537
	10	612

"A FEMALE DOMESTIC

Who receives from one dollar and a quarter to two dollars a week, and has no use for her money but to purchase clothes, ought to lay up from her wages two dollars every month. This would amount

In 1 year to . . .	$ 24
2 years	50
3	77
4	105
5	134
6	165
7	198
8	232
9	268
10	305

"A JOURNEYMAN MECHANIC

Who is diligent, economical and industrious, and who is desirous of seeing himself established in business for himself, but is not able for the want of capital to do it, would be enabled to accomplish his wishes in a few years, by beginning early in life to save his earnings. By depositing five dollars a week, he would have at the end of

1 year	$ 270
2 years	549
3	841
4	1147
5	1468

"A MASTER MECHANIC,

Whose profitable business enables him after supporting himself, to lay up eight dollars per week, will grow rich fast. In a few years he will be able, if he be a single man, to marry and maintain a family with comfort; and if he perseveres in his saving, he will be independent in his old age. His eight dollars a-week will amount

In 1 year to . . .	$ 433
2 years	878
3	1346
4	1835
5	2349

TABLE,

Showing the progressive annual accumulation for ten years of deposits of the sums therein mentioned, on the principles adopted by the Philadelphia Saving Fund Society.

Monthly Deposits of	YEARS. 1	2	3	4	5	6	7	8	9	10
	D. C.	D. C.	D. C.	D. C.	D. C.	D. C.	D. C.	D. C.	D. C.	D. C.
Two Dollars	24 52	50 20	77 12	105 34	134 90	165 86	198 30	232 34	268 00	305 40
Four	49 14	100 64	154 58	211 12	270 40	332 50	397 60	465 82	537 28	612 22
Per week.										
One Dollar	54 08	109 70	167 96	229 04	293 08	360 20	431 56	505 28	582 56	663 56
Three	162 40	329 46	504 54	688 08	880 48	1082 10	1296 46	1518 00	1750 18	1993 56
Five	270 84	549 44	841 28	1147 34	1468 08	1804 20	2161 44	2530 80	2917 94	3323 62
Eight	433 24	878 96	1346 10	1835 80	2349 04	2886 96	3458 74	4049 72	4669 08	5318 30
Ten	541 68	1098 88	1682 80	2294 92	2936 40	3608 88	4323 60	5062 32	5836 60	6648 16

The calculations for the above table are predicated on deposits supposed to have commenced 1st January, 1817.

"A FATHER OF A FAMILY,

Who has a number of children, and who would like to give each of his daughters a small marriage portion, and to each of his sons a small capital, when they should arrive at full age, might without feeling it, deposit monthly for each child, a small sum not to be touched until the period of maturity. If this rule were to be commenced at the birth of a child, and continued for twenty-one years,

50 cents per month would produce	$ 210 95
1 dollar	426 00
2	855 96
3	1286 16
4	1716 06

"CHILDREN,

Whose parents are in the habit of allowing them a weekly or a monthly stipend, might be early initiated into habits of saving, and instead of squandering their pennies in useless trifles, they might be induced to save them until they amounted to a sum sufficient to purchase a comfortable article of dress."

The foregoing tables are interesting for the information they give on the wage scales of the times and the reasons for encouraging deposits. The growth of the Society was slow at first, but even so, in August of 1817 there is the first suggestion of branch offices. A resolution was offered and laid on the table authorizing offices for the receipt of deposits in the Northern Liberties and the district of Southwark.

At the November 1817 meeting it was resolved to have an anniversary dinner "to commemorate its establishment, promote its success and extend its operation, to take place on December the 1st, and that Richard Peters, Jr., Esq., be requested to deliver an address to the Society containing an exposition of its views and objects; that its motives may be properly appreciated, and that it may meet with the general support of the community."

As early as December 1817 a committee was appointed to draft a memorial to the Legislature requesting an act incorpo-

rating the Society. Doubtless the circuity, inconvenience and uncertainties in dealing through trustees, as well as the ever present personal liability, were the controlling motives of this action. This committee it may be fairly inferred from subsequent minutes was also to draft an act of incorporation as no other committee is specified, whereas at the following April meeting "the committee on the memorial were continued with the request of the Board that they be ready to report by the next meeting of the Legislature"; at the November 2nd 1818 meeting "the committee appointed to draft an act of incorporation were requested to report to the Board at the next meeting" and at the November 16th meeting "the committee appointed to draft an act of incorporation made report" of a proposed act* that was approved, and it was then "resolved that the same committee be appointed to draft a memorial to the Legislature requesting an act of incorporation for the Society in conformity with said report." The members of this committee were Richard Peters, Jr., Roberts Vaux and Condy Raguet.

From this time events moved rapidly. The memorial was submitted to the Board and approved in December. In January 1819 the Board appointed a committee to correspond with members of the Legislature who were members of the Society. It appears from the minutes that the Senate showed a disposition to limit to Five hundred Dollars the amount any one could have on deposit and to Two hundred thousand Dollars the aggregate deposits of the Society. Neither of these matters had been touched on in the draft of an act to incorporate. At this meeting the Board passed a resolution that the correspondence committee be instructed "to request a Charter without limitation other than that of the receipt of Five hundred Dollars in any one year from an individual depositor." The result was a compromise, the Legislature accepting the suggestion of Five hundred Dollars a year instead of Five hundred Dollars individual gross amount and limiting the aggregate deposits to Three hundred thousand Dollars.

At the January meeting 1818 it had been resolved "that all private expenses and the office rent and Treasurer and Secretary's

*Appendix II.

salary for the first year be paid out of the original subscription of the Managers, and if there should exist any deficiency the same be levied on the aforesaid Managers.

In February 1819 the Treasurer was "authorized to charge to the contingent fund of Two hundred and fifty Dollars advanced by the Managers the balance due to him for expenses paid by him on account of the Managers of One hundred and two Dollars and fifty-three cents." When the stated March meeting 1819 came the Charter had been enacted* and a committee was therefore appointed "to take into their consideration the manner of transferring the funds of the Society to the Corporation and any other business relating thereto." On March the 18th a resolution was passed requiring the Treasurer to transfer the funds of the Society to the Commercial Bank of Pennsylvania of which Andrew Bayard was President.

The committee appointed at the March stated meeting reported three weeks later recommending the acceptance of the Charter; the transfer on March the 31st of the assets of the Association to the Corporation conditioned on the acceptance of the same by the Corporation upon the same terms as held by the Association; the discontinuance of all business by the Association on April the 1st and on that day the commencement of business by the Corporation; the preparation of a seal and the procurement of an agreement from the depositors to release the Association and in place thereof to accept the Corporation. The report was adopted and a resolution passed requesting the President and Cashier of the Bank of the United States, Trustees of the Association, to transfer to the Corporation the assets of the Society in their hands, and then follows in the minutes the simple and conclusive statement,

"On motion adjourned sine die."

*Appendix III.

II

LEGISLATION

At the "International Thrift Conference" at Edinburgh in 1910 in an address on "A Retrospect of Savings Bank Law" in Great Britain, it was said:

"Like most of the institutions in our country, Savings Banks are no creation of the law. They made themselves." * As we have seen in the preceding chapter this was the case with The Philadelphia Saving Fund Society.

The Charter of the incorporated Society was approved and became a law February 25, 1819, and the Association wound up its business, transferred all of its assets to the Corporation and ceased to exist as of March 31st after a life of two years and four months. This is the legal and technical aspect of the matter, whereas in fact the change was really of form and not of essence, as the original Society without any break of continuity lived on under the same name, the same managers and officers, the same standing committees, at the same office, pursuing the same objects by the same methods, but legally clothed with perpetual succession and other corporate rights and duties designed to give it permanence and stability. This also had been the process of evolution of those abroad which inspired our own. In 1817, years after their inception, Parliament first passed acts dealing with the Irish and English banks in the order named and two years later another one with those in Scotland.

The Pennsylvania Act† differed very little from the committee's draft‡ that had been proposed to the Legislature, the principal changes consisting in the limitation previously mentioned on individual annual and the Society's aggregate deposits. Both followed closely the Articles of Association.

That amendments to the Charter were soon seen to be desirable is evidenced by the appointment of a committee in October

*Centenary of Savings Banks, p. 140.
†Appendix III. ‡Appendix II.

1821 to consider "the propriety of an application to the Legislature for such alterations in the Charter of the Institution as they may deem necessary, and that they report the same to the next meeting of the Board, with a draft of a memorial to the Legislature should they consider the same proper, in which the required alterations shall be stated." At the December meeting a memorial was adopted but it is not set forth in the records. In November 1822, however, the same committee was instructed to prepare and forward another memorial "on the subject of the extension of the capital of the Society," by which of course was meant a modification of the limitation on aggregate deposits. It will be seen that this matter was one of frequent occurrence and the subject of more trouble to the Managers and of applications to the Legislature than any other until finally settled in 1851. The matter had become so acute that in June 1823 a committee was appointed to consider and report a plan by which the receipt of deposits might be continued without violating the provision of the Charter limiting the amount, and in August of the same year the Committee of the Month was authorized to require depositors to withdraw their deposits if deemed necessary by the situation of the Institution. In December "the committee on the application to the Legislature reported a memorial requesting a repeal of the fourteenth Article of the Constitution of the Society" which was directed to be signed by the President and Managers and forwarded to the members from Philadelphia. This Article was the one imposing limitations on individual annual deposits and the gross deposits the Society was permitted to receive.

The reason for the reluctance of the Legislature to accede to the request for larger gross deposits is set forth in the first annual report of the Secretary which was presented to the Board in February 1826 wherein he stated that in March 1824 the Legislature enacted a supplement to the Charter permitting a maximum of deposits of $600,000; that the principal objection urged against the Managers of the Society was that deposits of the wealthy were received in large sums perverting the objects of the Institution; that the facts were that at the commencement of the business of the Association, when it was thought necessary

to inspire confidence by the example of persons of high respectability and character, some of such people were invited to cooperate by becoming depositors and the impetus thus given at the time was considered highly useful; that it was understood that these deposits were to be withdrawn whenever the increasing business and the interest of the Association should demand that step.

Accordingly in 1823 when the deposits approached the permitted maximum the gentlemen referred to at the request of the Managers cheerfully withdrew their deposits; that among the depositors were the names of some of the most wealthy gentlemen of whom some were depositors in trust for domestics or poor friends "and the remainder bore indeed the names of wealthy individuals but were in fact poor and labourious people of colour."

He then went on to say:

"That these circumstances should have produced an erroneous impression on the minds of many persons is not surprising. It is only another example of the fallacy of human judgment reposing upon apparent facts which have not been thoroughly investigated. Upon the subject however of large deposits it may be generally remarked that so long as they are not the cause of the exclusion of smaller ones, it is difficult to conceive their bad effects upon the Society or the Public especially when we consider that the Institution is not in any manner endowed or favored with any extraordinary or exclusive privileges by the Act of Incorporation. But whatever conclusions may be drawn upon this question there are considerations which render an abuse of this kind highly improbable.

"1st. There is no known motive which could induce the Board to desire to become trustees of those who are fully competent to manage their own property and thus increase unnecessarily their duties already sufficiently onerous.

"2d. The Institution does not extend to capitalists or large depositors any advantage of which they would be willing to avail themselves. The rate of interest, the notice of two weeks and the deduction of interest for those two weeks, are material objections to those who might otherwise use the Institution either

as permanent depositors or for a short period: the experience of the Society confirms these ideas; with trifling exceptions few monied individuals have been customers. The vigilance of the Board in their instructions to the Monthly Committee has prevented the recurrence of even these few exceptions to the general character of its business. As to the particular description of persons whose interests are intended to be protected; the Legislature have judiciously left it to the discretion of the Board to decide upon their claims. That the views of the founders of the Society upon this point were not limited to the mere gleanings of the poorest labourers and domestics but were extensive and liberal is proved by the first clause of the Act of Association before mentioned and the printed statement which is subjoined to this report:* a document widely circulated in the early days of the Association under the authority of the Board; and finally by the practice of the Savings Banks of Great Britain; indeed it is difficult to imagine why the advantages of such institutions should be confined only to the very poorest class while others equally meritorious and equally demanding their fostering care are refused any participation of them.

"In such cases the fine line of separation could not be drawn without difficulty and frequent injustice, producing discord and jealousy between those who claimed the benefits of the Society and ultimately a spirit of hostility against the Society itself."

Compare the experience of this Society and the foregoing statement of the Secretary with a discussion of the same subject in relation to the English banks in 1817-18, as follows:

"The interest given for the investment made, it appeared, was attracting a much higher class of depositors than it was ever sought to encourage, or than the Act was intended to benefit. * * * Many, we believe, in the first instance put their money into the Savings Banks to afford encouragement to their poorer neighbours or dependents, and in order to inspire them with confidence: and it will be well understood how necessary this was at the outset, seeing that at that time there were few means of inculcating sound political knowledge, or, indeed, information of any sort, among the great mass of the people, who too often were swayed

*"Address to the public": see pp. 25 et seq.

hither and thither at the mere whim of some noisy and ignorant demagogue. Whether or not this sufficiently accounts for the fact of the better classes contributing to the early Savings Banks, it is clear that all classes soon found out that it was not possible to do better with their money, and hence allowed it to remain where it was. Several banks were very careful to exclude by their rules all but mechanics, servants, and persons in similar ranks of life, but the rest either had no such rules, or were very careless about enforcing them."*

In support of his statement the Secretary might have referred to the resolution of the Board, adopted February 4, 1822, authorizing the Committee of the Month to refuse deposits "which, in their opinion, may be offered with a view inconsistent with the objects of the Institution," and to the further resolution of August 4, 1823, authorizing the Committee of the Month to require depositors to withdraw their deposits if they deemed the same required by the situation of the Institution.

The memorials just referred to bore more abundant fruit than was desired because early in 1823 it was reported that a bill had passed the House permitting an increase of $300,000 in aggregate deposits; authorizing Select and Common Councils of Philadelphia on joint ballot to fill any vacancies in the Board; limiting individual annual and aggregate deposits to respectively $500 and $1,000 exclusive of interest; prohibiting any Manager or Officer from borrowing from the Society and the Society from purchasing or holding any obligations drawn by or existing against a Manager; making it the duty of the Judges of the Philadelphia Common Pleas Court to annually appoint "three discreet and respectable Citizens of the City and County of Philadelphia" to audit and settle the accounts of the Society, and to file a statement of the accounts annually in the office of the Prothonotary of the Common Pleas Court and transmit a copy to the President of the Senate and the Speaker of the House of Representatives.

All of this suggested legislation was not acceptable and a committee was appointed in February 1823 to communicate to the Legislature the disapprobation of the Board. The result was the

*History of Savings Banks, Lewins, pp. 54, 55.

first amendment to the Charter approved March 15, 1824, whereby the act as just outlined was modified by omitting the proposed limitation on the aggregate of individual deposits; providing that the Chief Justice of the Supreme Court, and the Presidents of the District Court and of the Court of Common Pleas in and for the City and County of Philadelphia should form a Board of Appointment to fill future vacancies in the Board of the Society by appointment from a list of not less than five persons for each vacancy to be presented to them by the Managers and requiring the President to forward to the Speaker of the House in January every year a statement showing the whole number of depositors and the number having sums on deposit in graded amounts from $10 to $500 and upward each.* This was further amended by the Common Pleas in 1884 to make this last report biennial instead of annual and classifying the depositors from those having not exceeding $50 to those having $500 and upward each. On February the 7th, 1828, the Legislature further amended the Charter by increasing the limit on aggregate deposits by $500,000 making the total $1,100,000, but at the same time limiting for the future annual individual deposits to $200.

On April the 8th, 1833, the limitation was further increased by the Legislature by $400,000 or to an aggregate of $1,500,000. This was in response to a resolution of the Board passed in December 1832 submitting to the Legislature whether it was not expedient to increase the amount of deposits to be recieved by the Society or to provide by law for the establishment of another institution upon similar principles within the City and County of Philadelphia. The growth of the Society and the consequent demands upon the time of its President necessitated his assiduous attention to such an extent that it was deemed advisable to repeal the provision of the Charter prohibiting the payment of compensation to him for his services. The memorial and petition to the Legislature on both these matters, as adopted by the Board in January, 1833, set forth that under the existing law deposits were limited to $1,100,000, and that the aggregate of deposits on December 31, 1832, was $1,078,576.08 and that upwards of 8,000 persons would be affected by not granting

*All Amendments will be found in Appendix IV.

relief. It was also submitted that since the incorporation of the Society in the year 1819 the duties performed by the President and Managers had been altogether gratuitous. An authorization of increase in the amount of deposits and the repeal of the prohibition of compensation for the President's services were therefore asked. The act of 1833 just referred to removed the prohibition and granted the increase as stated.

The matter of limitation of deposits reached an acute stage in 1846.

At the January meeting 1847 the President said that considerable uneasiness had been felt for some time as to exceeding the limit of deposits of $1,500,000 permitted under the law, and that "with the present restrictions imposed on deposits, by not now receiving more than $100 from any one person in any one year, by requiring the removal, when directed, of deposits exceeding $1,000, and by excluding trust accounts, the Society may be enabled during the year to receive all deposits offered not exceeding $100, and thus continue to encourage habits of thrift among the humble and helpless persons, who by still confiding their little earnings to our care, will strengthen that general attachment to the rights of property on which the secure enjoyment of the fruits of industry and capital must depend."

Notwithstanding this he reported the total deposit liability January 1, 1847, as about $1,738,000.

By the act of February 27, 1851, all restrictions on aggregate deposits were removed.* The approximation of deposits to the amount allowed had caused the President near the end of the year 1850 to strongly urge upon the Board the necessity of having the existing limitation repealed. He stated that the various devices that had been employed to cause withdrawals beyond fixed amounts, or to refuse deposits in excess of such amounts, had always been productive of evil resulting in alarm and injustice to depositors besides confining the benefits of the Institution to those who were already depositors instead of extending them to greater numbers.

In the following month he stated that unless the restriction on deposits was removed it would be almost impracticable for

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the Society to continue as for the last five years with deposits at or near to a stationary point.

The original Charter had limited the amount of annual individual deposits to $500, which by the act of February 7, 1828, was reduced to $200. This seems to have been done by the Legislature on its own initiative and was probably due to the application of the Managers for the removal of the restriction on aggregate deposits which, as has been seen, was enlarged by the same act. This limit of $200 a year remained in force until 1869. In January of that year the Board adopted a resolution instructing the President to apply to the Legislature to have the $200 restriction extended to $500, as it originally stood in the Charter, subject however to a provision authorizing the Board to lessen the sum if deemed desirable. The application of the Society was granted by the act approved March 20, 1869, which in this respect has not since been changed.*

Referring to this subject in his annual report of January 1, 1872, the President made the following comment:

"In the solution of this question the fact must be taken into consideration that in the original Act of Incorporation the limit was fixed at the latter sum ($500) and was subsequently reduced to the smaller one ($200) by no agency of the Society, but it is believed to have originated on the part of those bogus institutions which have had but an ephemeral existence and which sought by this means to allure the difference between these two sums to their own treasury. By the supplement to the Act of Incorporation, through which the five hundred dollar privilege was restored, no new feature was adopted, and the measure seems to me to be fully justified when reference is made to the value of money at the respective periods referred to. The purchasing power of money we know has greatly diminished, and five hundred dollars at this time, it may be said, will go no farther in commanding the necessaries of life than two hundred did at almost any period before the late war." Had the President referred to the first annual report of the Secretary, above cited, he would doubtless have included in the reasons for the reduc-

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tion of limit by the Legislature the one therein stated concerning the abuse of the deposit privilege by the wealthy.

In 1867 the Legislature passed an act extending to Saving Fund Associations the acts of October 13, 1840, and May 8, 1854, so as to enable them to apply to the Courts of Common Pleas for amendments to their charters. The first amendment under this authority was granted by the Court in 1879 and it has since become the practice to apply to the Court for desired changes. These amendments, running from 1879 to 1885, have all related to ministerial matters such as rates of interest, notice for withdrawals, biennial classified statements concerning depositors and deposits to be forwarded to the Speaker of the House of Representatives of the Commonwealth, the appointment of Officers and their remuneration, and vacating the seat of a Manager.*

In 1872 the Legislature further amended the Charter by an act approved March the 1st which was intended to remove any doubt that had existed with regard to the scope of the power of investment possessed by the Board. It was negative in character, simply providing that so much of the Charter as might be construed to limit the investments of the Society, other than in real securities, to loans of the United States and of the Commonwealth of Pennsylvania, should be repealed, but that this should not be taken to authorize the purchase or discount of promissory notes, bills of exchange or other individual securities, or to purchase or lend upon shares of stock in joint-stock companies or corporations.* It is fair to say that the draft of this legislation originated with the Board. At the December meeting 1871 a resolution was passed instructing the President to obtain if practicable from the Legislature a supplemental act concerning investments and at the January meeting 1872 a draft of one prepared by the Solicitor was laid before the Board and subsequently passed exactly as drawn. The matter will be touched upon later in the chapter on Deposits and Investments and is only mentioned here as coming in chronological order of legislation.

At the September stated meeting 1869 the President directed

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the attention of the Board to an attempt that had been made at the instance of private parties in the name of the Commonwealth to escheat to the Commonwealth "unclaimed deposits" and at the same time to attack the Society's right to a surplus or contingent fund. At one of the meetings of the Jury of Inquest, on being questioned as to the object of the proceedings, counsel for the Commonwealth declared that they claimed the entire accumulation of the contingent fund since the year 1855, amounting to about $400,000 under the act forbidding accumulation in cases of a charitable trust, and also claimed all deposits which had been undisturbed since 1862, or a period of seven years. The prize was rich enough to tempt the cupidity of an informer, as under the law at the time a successful prosecution of the case would have netted the tidy sum of one third of the recovery. The matter finally came before the Supreme Court of the State and at the March meeting 1870 the President was able to report a decision favorable to the Society. It was held that the Society "has not the semblance of a charity. It is specifically a business corporation for pecuniary purposes; to receive deposits of money, invest them for the security of the depositors, and repay them with interest;" that "power is given to the Society to 'improve and augment' its property, evidently for the purpose of creating a fund for increased security against losses and fluctuation in the value of investments" and that "the success attending the administration of the investment, in producing the large surplus now existing after nearly half a century of good management, detracts nothing from the charter right to enjoy the accumulation for the true purposes of the Society." The Court added: "The proceedings to condemn its surplus fund (especially in a mode not prescribed by law) is illegal and injurious."*

Apropos of that part of the decision which holds that the Society is not a charity, it is interesting to quote in passing from an anonymous pamphlet published in Manchester, England, in 1817 entitled "Observations on the Utility and Management of Saving Banks," as follows: "It will be seen that Saving Banks do not in the least degree partake of the nature of charitable institutions; indeed it is their object to render charitable institu-

*West's Appeal, 64 Pa. 186.

tions unnecessary; and it was the intention of Parliament, in passing the Act, to encourage to the utmost that spirit of independence which is the only constant promoter of industry, and the surest safeguard against pauperism and its dreadful evils." At the very next meeting, April 6, 1870, the President reported that the contest with the Escheaters had been transferred to the Legislature by means of an act that "had been stealthily carried through both branches of the Legislature, and was then in the hands of the Governor awaiting his signature, which was intended to override the late decision of the Supreme Court in favor of this Institution." The object of the act was briefly to extend the act of April 26, 1855, relating to literary, charitable, and religious societies* so as to embrace "all corporations not established for the profit of the corporators", and providing that the act should "be so construed in all cases now pending or that hereafter may arise." As the pending bill purported to be a supplement to the act of 1855 Mr. Eli K. Price, the author of that act, in the words of the President, "wrote an admirable letter to the Governor remonstrating against the interpretation placed upon it by the supplement, and expressing the belief that if the latter became a law it would be unconstitutional." The result was that the vote on the passage of the proposed act was reconsidered and the subject indefinitely postponed. In December 1870 the President urged the expediency of applying to the next Legislature for a supplement to the Charter relating to unclaimed deposits and contingent fund, and at the January meeting 1871 reported that a bill had been prepared by the Solicitor to be presented to the Legislature. The proposed legislation was enacted and went into effect April 17, 1872, authorizing a surplus or contingent fund not exceeding 15 per cent of liabilities and prohibiting suits against any Savings Bank for any balance remaining unclaimed for thirty years and requiring that the same be paid to the State.†

It would appear that at the time of applying for the act enlarging the scope of investments it was not realized that an application for an amendment to the Charter could have been made to the Court, but the reason for applying for the act re-

*Thereafter limiting their property holdings and accumulations of income into capital to an annual value of $5,000 without express legislative sanction contra and making the excess escheat to the Commonwealth.

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lating to contingent fund and dormant deposits was evidently because it was deemed wise to make the enactment on these matters general and applicable to all incorporated Saving Funds not having any capital stock. Moreover, at the time of the first application for a Court amendment to the Charter, 1879, the question had arisen whether such an application to the Legislature would not bring the Society within the provisions of the new Constitution, and on this point the Solicitor gave his opinion that the application could be made to the Court under the acts mentioned without doing so.

The appointment of Managers by the Chief Justice of the Supreme Court and the Presidents of the District Court and of the Court of Common Pleas of the City and County of Philadelphia was affected by Article V of the Constitution of 1874, which provided a rearrangement of the Judiciary, and in order therefore that the appointing power which had previously been vested in a board composed in whole or in part of Judges of the Courts might not lapse, the act of May 25, A. D. 1874, was passed which in so far as this Society is concerned vested the appointment of the Managers in the President Judges of the Courts of Common Pleas of the City and County of Philadelphia without altering the existing provision that the appointments must be made from lists furnished by the Managers. The matter was referred to in the President's report of 1874 wherein he said: "There are now two vacancies in the Board of Managers which cannot be filled till the Legislature establishes a substitute for the late Board of Appointment."

This is a summary of all of the legislation that has been enacted with direct regard to the Society and nearly all of it has originated in the Board. To all of it are applicable the words of the Secretary concerning the Charter in his first annual report submitted to the Board February 7, 1826, as follows: "It is however a tribute due to the purity of the motives and the soundness of the principles of the early Managers, not less than to truth, to observe that the Charter contained no important restrictions which they had not voluntarily imposed upon themselves in the Articles of Association and in the Bye Laws. These were submitted to the Legislature and were in fact the basis of the Act of Incorporation."

Indeed it is a pleasure to acknowledge the fair and liberal consideration the Society has almost invariably received from the Legislature which has shown an enlightened appreciation of its objects and achievements by acceding to modifications and enlargements of the original grant as deemed necessary and applied for by the Managers. Attempts to subject it in any way to political influence have been negligible and never successful. The nearest approach to such a thing was the bill of 1823 providing, inter alia, that future vacancies in the Board should be filled by Select and Common Councils of Philadelphia, but which fortunately was never passed.

III

LOCATIONS

The Society began business in the office of George Billington who at the meeting of November 29, 1816, was unanimously chosen Secretary and Treasurer "at a compensation of Two hundred and fifty dollars per annum for his services and the use of his office." Mr. Clement C. Biddle's sketch, previously referred to, describes it as "on the West side of Delaware, South Sixth Street, nearly opposite to Minor Street and next door South of Rubicam's then well-known tavern."

We have seen that prior to the occupancy of Mr. Billington's office the last three meetings of the Managers had been held at Rubicam's tavern which adjoined on the North. In Robinson's Philadelphia Directory for 1817 we find

"Rubicam Daniel, (Washington Hotel) 20 S. Sixth." It is not to be confounded with the tavern a few doors South at the N. W. corner of Sixth and Carpenter (subsequently Jayne and now Ranstead) Streets, which in the same directory is described under the name of its proprietor

> "Stell James, Washington tavern & eating house
> N. W. corner Carpenter and 6th, innkeeper
> Germantown Road 1st gate."

Prior directories fixed its number as 26. In Westcott's History of Philadelphia (a scrap book containing clippings from the "Sunday Despatch") there is a reference to Rubicam's which probably gives at least one of the reasons for Mr. Biddle's qualifying expression "well known," and is as follows:

"The terrapin, as a luxury, during this time was scarcely known. In the recital of the viands, dinners, and entertainments of the period, it does not appear as an article furnished to the guests. The first time we find it spoken of is in an advertisement published in '*Poulson's Advertiser*' in 1814, by one John Bailly, who gave notice that he had arrived in the City with 100 dozen terrapin, and that he could be found at the Rising Sun Hotel in

Letitia Court. In Palmer's list of articles sold in the Philadelphia Markets in 1818, he calls them terrapins, or bay tortoises. The price was from $1 to $2 per dozen. The negroes of Delaware, Maryland and Virginia had eaten them for a long while before this time; but their masters seemed to be of the opinion that they were only fit to be the food of slaves.

"Daniel Rubicam, who kept a tavern at No. 106 Sassafrass as early as 1800, and was afterward for many years at No. 20 South Sixth Street, had the reputation of being the first caterer in the City who served up terrapin in such style as to render it attractive to gourmands. It is probable that he did not succeed in making this dish properly until well on toward the close of the quarter century.

"When his widow succeeded him in the management of the tavern, a great portion of the fame which she achieved as a cook was due to the manner in which she dressed terrapin.

"In the same chapter there is reference to 'The Universal Recipe Book' (page 72) in which appears the following in regard to terrapin:

" 'This is a favorite dish for suppers and parties, and, when well cooked, they are certainly very delicious. Many persons in Philadelphia have made themselves famous from cooking this article alone.'

" Mrs. Rubicam, during her lifetime, always stood first in that way."

In the 1817 directory Mr. Billington's address is given

"Billington G. attorney at law 22 south 6th."

By careful comparison with maps and descriptions it has been possible to definitely identify the furthest house from the corner on the accompanying sketch as Mr. Billington's and therefore as the site of the first Office of the Society.

In connection with the sketch, and as corroborating its accuracy, the following quotation will be of interest.

"Next to the Morris Brewery in point of age came the building on the West side of Sixth Street, North of Carpenter (now Jayne) Street, which was for three quarters of a century known as Gray's Brewery. When the brew-house was built is not known. * * * William Gray bought the property in 1772. The



First Office of the Society
No. 22 So. 6th Street
Indicated by arrow

brewery stood back from Sixth Street. * * * Before 1820 a two story building was erected in front of the old brew-house, on the line of Sixth Street, which was fitted up as stores, the brew-house being extended over it on the second story. Joseph and William Gray carried on the business there for some years. Robert E. Gray gave notice in 1807 that he intended to brew ale, porter, and beer during the ensuing Winter at his brewery, No. 24 South Sixth Street."*

Rubicam's was subsequently the "American" and later on the "Commerce" hotel. The date of its demolition is apparently not known but the brewery was torn down in 1881 and the ground of both lots is now occupied by large mercantile houses. It was not unusual a century ago for Inns to allow or rent the use of rooms for various kinds of business meetings.

In 1818, according to a statement on the books of the Society, presumably by Mr. Biddle, though the fact is not mentioned in the minutes, Mr. Billington and the Society moved directly across the street to the S. E. corner of Sixth and Minor Streets. In 1818 the directory shows that Robert E. Gray who owned the adjoining brewery was occupying No. 22 South Sixth Street, the former office. In the 1819 directory we find

"George Billington, attorney at law, 5 South 6th Street,"

thus confirming the Society's records. Here the Office remained until 1821. In that year the Society became possessed under foreclosure of mortgage of a property on Decatur (now Marshall) Street a short distance removed from the first Office on the West side of Sixth Street, Decatur Street running North and South between Market and Chestnut and West of Sixth. In the preceding year a special committee had reported to the Board that the property "consists of five brick stores 18 feet front and about 45 feet deep, well constructed and of excellent materials" and that "the situation is certainly one of the most advantageous for business and in the event of any favorable change in the value of real estate in the city this property must become an object." Just why it was decided to move from Sixth and Minor Streets is not stated but the growth of the business doubtless made it

*Scharf—Wescott's History of Philadelphia, Vol, 3, p, 2278.

desirable that the Society should have an office of their own. On January 1st, 1819, immediately following the removal to the S. E. corner of Sixth and Minor Streets, there were 401 depositors having deposits of $39,196.71, while on January 1, 1822, a few months after moving to Decatur Street, there were 1526 depositors with deposits aggregating $227,991.93. The minutes of April 6, 1821, show that a committee was appointed "to procure a place for the transaction of the business of the Society," and those of May the 7th that the committee "made report of a plan for an office for the Society and that the property in Decatur Street was an eligible situation." The Board approved the plan and authorized its execution "provided the expense shall not exceed the amount of the estimate of Five hundred and seventy Dollars." At the July 2nd meeting a committee was authorized "to procure such furniture as they shall deem necessary" and a few days later the Board approved a bill of $122.82 "for the iron work to the fireproofs." Possession of the new Office, Number 2 Decatur Street, of the five buildings the nearest to Market Street, was apparently taken in August, 1821, as on the 6th the committee was authorized "to draw on the Treasurer for the amount of expense incurred in fitting up the room for the Society." This was the first Office the Society owned but its selection did not prove satisfactory. At the November meeting, 1825, a committee reported "the growing importance of the Institution, the fit and necessary accommodation of the depositors, the convenience of the Managers and Officers of the Society, and the means of the full execution of the trusts they have assumed imperiously call for a removal of the Office of the Saving Fund Society to a situation more public and near the principal resort and centre of business. The committee unanimously recommend the appointment of a committee, who shall be charged with the subject of a removal of the Office and to make arrangements for the same." A committee was appointed on the subject. On February 14, 1826, a proposal was submitted from the owner to lease to the Society the second story of the house about to be built by him at the S. E. corner of Walnut and Third Streets at a rental of Two hundred and fifty dollars per annum. The committee was authorized to accept the same for three years with the privilege of two

years more on the same terms. On March 7, 1826, this committee reported "that after various enquiries in which they have been assisted by the members of the Board and by the Officers of the Institution, a situation has been selected, which although not permanent has advantages from its locality and the conveniences which may be obtained with it, which will accommodate the Saving Fund Society for some years. Mr. Stephen P. Morris, the proprietor of the property at the corner of Third and Walnut Streets, intending to erect a building there, has proposed to lease to the Society a room in the second story covering the whole of the front of the same on Walnut Street." The proposition was accepted. The site referred to was the S. E. corner Third and Walnut Streets, just across Third Street from the house that belonged to James Wilson and in the riots of 1779 earned the name of "Fort Wilson."

In the days of which we write, what is now one lot at the S. E. corner of Third and Walnut Streets belonging to the Insurance Company of North America, was sub-divided into several lots, the building in which the Society had its Office being at the corner and numbered 62 Walnut Street. Immediately South of it, part of the Insurance Company of North America's present lot, was a house that for a short time had been occupied by Alexander Hamilton when Secretary of the Treasury during Washington's first administration, and known as No. 79 South Third Street. The Society took possession and opened for business on July 19th. On the first day of August, immediately following, its depositors numbered 3543 and its deposit liabilities amounted to $575,027.94. The Office was not large enough and so very shortly after taking possession a committee was appointed to confer with the owner "and to make such arrangements relative to the renting of the 3rd story as they may deem proper." A few days later this committee was discharged and another appointed with broader powers "to make such arrangements for the renting of the room in the 3rd story and as to the general accommodation of the Society in the building now occupied by them as they may deem proper, and with authority to consider and report upon any further measures to be taken for the accommodation of the Society."

On November 13, 1826, another committee was appointed "to inquire on what terms the lease of the premises now occupied by the Society could be surrendered and whether an eligible situation could be procured in which the Secretary and Treasurer could reside." At the February stated meeting, 1827, this committee was discharged and another appointed "to enquire into the expediency of removal of the Office to some more eligible situation and that they report as soon as possible." On June the 5th, 1827, a committee was authorized "to purchase the house now in the tenure of Mr. Morrison in Walnut Street. On July the 3rd they reported having made the purchase for $13,000 subject to an annual ground rent of $80, the lot being 24 feet 6 inches in front on Walnut Street and 124 feet in depth "with a plot of twenty-four by twenty-seven and a half feet on the South to the West end of the lot."

A committee was then appointed "to have made the necessary alterations and improvements in order to the more complete accommodation of the Society for the purpose of their business." This property was No. 66 (subsequently 304) Walnut Street. At the October meeting the committee reported that "they have had the Office prepared and the necessary alterations made for the accommodation of the depositors with the Society as well as for the Officers and Managers in the conducting of the business of the Society." It is recorded that the removal to the new Office took place on October the 2nd, 1827, and so for the second time the Society was housed in its own building and ever since has owned its own Office. The number of accounts at that time approximated something over 4000 and the deposits $640,000.

The following month the Treasurer was authorized to occupy the dwelling part of the premises unused by the Society, at $20 per annum, "the property at all times to be subject to the control of the Society." In the Spring of 1832 it was resolved "to have the house of the Society warmed by a furnace." The continued growth of the business soon required still more room and so we find in the minutes of a special meeting in May 1833 the following recital:

"The object of the meeting having been stated by one of the gentlemen who requested the call of the meeting, the following

preamble and resolution were submitted and unanimously adopted, viz:

"Whereas the present accommodations for transacting the business of this Society are found to be inconvenient and it is believed that it may be needful at no distant period to erect a building for the purposes of the Society and Whereas the Stiles' Estate now offered for sale is deemed to be one of the most eligible sites in the City, therefore

"Resolved, That the President be and he is hereby requested and authorized to purchase on behalf of this Society this property on the South side of Walnut Street known as the Stiles' Estate at the sum of Thirty five thousand Dollars and in conjunction with the Committee of Investment to make such arrangements as may be found expedient for providing the moneys to pay therefor."

This was No. 68/70 (subsequently 306/308) Walnut Street. Mr. Billington, the Treasurer of the Society, died in March 1835 and at the April meeting the Board decided to take over by June 1st full and exclusive possession of the portion of the building he had occupied, as the whole was needed for the purposes of the Society. A committee was appointed to make arrangements for the erection of a suitable building and to select a suitable location for it. In March 1836 it was resolved "that a committee of two Managers be appointed with authority, shall they deem the same expedient, to cause the Society's premises to be lighted by the introduction of gas, and to make the necessary arrangements for effecting it." The American Fire Insurance Company, desiring to obtain a site for a new office, applied to the Society for the purchase of No. 70 Walnut Street and on June the 6th their offer of $40,000 was accepted.

At the January stated meeting, 1839, a resolution was passed declaring the expediency of building an Office for the better accommodation of the Society on its adjoining lot and a committee was appointed to obtain plans. These were furnished by Thomas U. Walter, Architect; according to them a building was erected; occupied on Saturday, February 22, 1840, and on the Monday following opened for business. This was No. 68 (subsequently 306) Walnut Street. The accounts at that time numbered in

round figures 7400 and the deposits were upwards of $1,100,000. This was the first building erected by the Society and was described in a record in the present tense, presumably written by President Cope, as having "a front of white marble from the Chester County quarries and a portico in the style of the Ionic order of architecture." The former Office at No. 66 Walnut Street, adjoining the new one, was then leased to the Pennsylvania Company for Insurances on Lives and Granting Annuities which that Company occupied under lease until 1857, then purchasing it.

For nearly thirty years the new Office was made to answer the requirements of the Society, but in May 1864 the President suggested "the expediency of appointing a committee to consider and report upon at a future meeting the question of providing more commodious accommodations for the use of the Office, as the increased and increasing business will soon render some change in this respect indisputably necessary." The matter was referred to the Committee of Investment who at the July meeting were authorized "to purchase the property adjoining the Office on the South extending to Willings Alley, or fronting on Third Street if they should deem it expedient." At the following meeting the committee reported "that they had purchased the premises No. 218/220 South Third Street for $20,000, the lot being 26 feet front on Third Street and extending in depth 100 feet to the westernmost line of the lot now occupied by the Society." The Third Street properties were never converted to the Society's own use. At the February meeting 1865 an offer of $100,000 was submitted to the Board from Jay Cooke & Co., for the Office building 306 Walnut Street and the Third Street properties. This offer and the question of purchasing other property for the erection of a suitable building were referred to a special committee who at the following meeting were authorized to employ an architect with the view of altering and improving the existing Office. In April the committee reported as follows: "First in reference to the purchase of a site for a new building, that after careful inquiry and examination they have been unable to find any suitable location at a price at which they would recommend the Board to purchase, and feeling assured that nothing



First Office built by the Society No. 68. now 306 Walnut Street

will be lost by delay they would respectfully suggest the propriety of keeping the subject before them for future action.

"The Committee have carefully considered the subject embraced in the resolution referred to, have examined the premises and made some rough estimates of the cost of the alterations contemplated, and have arrived at the conclusion that it would be unwise and inexpedient at this time to make any change in the present accommodations. There were two considerations, either of which was sufficient to induce the committee to withhold a recommendation to make the alterations suggested; the first was that it would involve the necessity of removal while the alterations were being made, and the second was the excessive cost of materials and labor growing out of the peculiar state of the Country."

So the matter rested until at the October meeting 1866 a letter from a real estate agent was laid before the Board stating that the Randall property at the S. W. corner of Walnut Street and Washington Square "was now for sale," whereupon a committee was appointed to consider purchasing it for a new Office. At the following meeting the matter came up on the report of the committee without any recommendation. A resolution was offered "that in the opinion of this Board it is expedient to purchase a lot and to erect thereon a fireproof and burglarproof building for the accommodation of the Office." The President strongly urged affirmative action but the judgment of the Board was closely divided and the motion was carried by a vote of 11 to 7. A motion was then passed authorizing the purchase of such a site for the purpose stated. In this connection a short sketch written by the then President of the Society gives as a reason for the expediency of erecting such a building as was contemplated, in addition to the remarkable skill of the burglar as developed in late years and the additional security against fire that "a new class of obligations had been created called coupon bonds which like bank notes were readily current and easily transferable." At the January meeting following the President again took up the subject in his annual report and still more strongly advocated the purchase. At the February meeting, there being 18 present, a motion was made to postpone consideration of a change of location which, on division, was lost on a vote of 9

to 9. The committee therefore proceeded to carry out their instructions and at the May meeting reported they had purchased the property at the corner, known as the Randall property, and the adjoining one on the West known as the Waln property. Sentiment in the committee by 4 to 1 was overwhelmingly in favor of the move, but this by no means represented numerically the opinion of the Board, as the resolution proposed by the majority of the committee providing for a building committee and defining their duties with the view of commencing the building at an early date was carried by the close vote of 8 to 7.

While the subject of discussion was only the expediency of purchasing land and erecting a commodious and modern Office, still, the proposed outlay was relatively by no means small and the times were critical. The Country had just come through the civil war and was facing the solution of the great problems which it had brought, not the least of which was the condition of business and currency. The wisdom of any business venture therefore involved a consideration of much larger matters than in ordinary times, which, in this particular case, gives an interest to the deliberations of the Board quite out of proportion to the magnitude of the proposed undertaking. It will be found worth while therefore to review the arguments that were advanced for and against the project.

The President had urged the desirability of a fireproof and burglarproof building for the greater security of the assets and the better accommodation of the transaction of business; referring to the prosperous condition of the Society and its ability to meet the contemplated expense out of the Contingent Fund without impairing the interest of the depositors. He pressed the view that the new building would inspire the public with a greater degree of confidence, and added: "I should feel very sorry if after a career of half a century it should be proclaimed that this Institution, which has commanded the public confidence for so long a period, has not the means of erecting a building adapted to its increased business and corresponding with the spirit of progress marked in this age." The majority of the committee were in sympathy with the President's views. The minority report was signed and submitted by the chairman alone. He

dwelt upon the great delicacy and responsibility of the trust confided to the Managers; the conservatism which had hitherto characterized their appreciation of their responsibility; the high position the Society then held in public confidence and the great caution that is exercised under the Charter in the selection of Managers. He went on to say: "The extraordinary circumstances of the present moment appear to the undersigned to be such as to render it necessary for every prudent person in the management of his private affairs to be unusually circumspect, and in the administration of a Trust amounting to more than Five Millions of Dollars which represent the hard earnings of 2300 depositors, some of whom have committed all they have to our care, it is manifestly a matter of more serious importance.

"The fact that at this moment the difference between the gold value and currency value of the assets of the Saving Fund is about $1,450,000, or nearly double the imaginary surplus which our President in his published estimate of the 11th May represents that we hold, whilst it is nearly three times the actual Contingent Fund, is enough in itself to show the present to be a time for caution, not experiment, economy, not extravagance; calling for the careful husbanding of our resources, keeping them in a position most surely and most readily convertible, rather than planting them in a fixed and unavailable form.

"That losses may come is proved by the experience of the past, when in one short crisis that of 1860/61, $146,000 were swept away to meet the calls of our depositors. And how inconsiderable was that crisis, which was as a passing cloud when compared with that which may, or as some say must come, but which as prudent men we should be prepared to meet whether it comes or not. No one expects a return to the normal conditions of our currency without some shrinkage in values. Many believe it will be very great. On that presumption it will be safer to act.

"The debts of the Institution, it should not be lost sight of, must be met in the currency of the day, and in the change from an inconvertible to a convertible currency the assets which are to pay the debts undergo the shrinkage, whilst the debts are only discharged by their payment in full.

"The shrinkage or abatement in the value of the assets must fall on the Institution. Thus much to show how unfavorable a moment this is for any movement which requires a large outlay of money or which may affect the public mind as to the prudent management of the Saving Fund, and how unwise it is at any time to act without full and perfect harmony in the Board."

Time we know has justified the judgment and the action of the majority of the Board and of the committee, but nevertheless the views of the Chairman of the committee were well considered and afford an interesting and instructive commentary on the care with which the Board approached the subject and on the financial conditions of the period.

About the time that the Society purchased the property at the S. W. cor. of Seventh and Walnut Streets the following communications appeared in the Sunday's Dispatch:

"WALKING DIRECTORY.—Your correspondent, 'Washington Square,' who writes for the Dispatch of the 2nd inst. about the Randall mansion, is in error when he asserts that Thomas Ross built that house. Mr. Ross may have resided there, and perhaps was the owner of the property; but this beautiful mansion was built about the year 1807, by Captain John Meany. Captain Meany, whilst he was building this house, resided at 91 (old number) South Eighth Street, at the corner of Goodwater Alley, a commodious three-story brick, occupied until within a few years past by James R. Webb as a grocery store. It seems that the Randall mansion has been purchased by the Philadelphia Saving Fund Society; if so, what a singular coincidence that the Western Saving Fund should have bought the property at the southwest corner of Tenth and Walnut Streets, which was likewise built by Captain Meany! With regard to the property at the southwest corner of Washington Square and Walnut Street, it was at one time occupied by Mr. Parish, one of the firm of Hope & Co., the great Amsterdam merchants and bankers; also by Leonard Koecker, the ingenious and skilful dentist, who married a daughter of the late Joseph Donath; also by Dr. John Syng Dorsey, the celebrated surgeon and physician, who died in that house in November, 1818. Dr. D. was a nephew of the late Dr. Philip Syng Physick. Dr. D. married a daughter of the late



S.W. cor. 7th & Walnut Streets
Present site of Office at time of purchase

Robert Ralston. Dr. George McClellan likewise lived in the Randall Mansion, and so did Joseph Head. Many of the most distinguished men of the nation were frequent guests at this house when it was occupied by Mr. Randall. Clay, Seward and Webster often passed their time under the hospitable roof of the later Josiah Randall. Will not some of our local antiquarians have this old mansion photographed? Prior to 1816, that portion of Washington Square forming the west and south angles was known as Columbian Avenue."

"HERMANN.—Your correspondent, 'Seventy Years,' in last Sunday's Dispatch, neglected to mention, when speaking of the mansion of the late Josiah Randall, Esqr., southwest corner of Seventh and Walnut Streets, that among those who had lived there in former years was the late Joseph Head, who kept a 'Private Gentleman's Restaurant' and 'Club House.' During the visit of General Lafayette to the city, in 1824, the First City Troop gave him a splendid entertainment in the Randall mansion, and the 'old horse-chestnut tree' was quite aged then."

A plan for a new building prepared by Messrs. Sloan & Hutton, Architects, was approved in February, 1868, and in May the following resolutions were unanimously adopted:

"Whereas the Society in now engaged in the erection of an Office Building on West Washington Square and Walnut St., and Whereas such an event should be suitably commemorated, according to the practice generally prevailing in the construction of important public edifices, Be it therefore Resolved, That the Building Committee be, and they are hereby instructed to cause a corner stone for said Building to be properly prepared for the reception and preservation of such records and other memorials of the Institution, and of this period, in the history of our City, State and Nation as they may deem advisable to be deposited therein.

"Resolved, That the venerable Charles N. Bancker, now in the 91st year of his age, the senior of the only two survivors of the original Corporators of the Society, be requested to perform the ceremony of laying said corner stone. Resolved that in the event of the Committee failing to obtain the services of Mr. Bancker for the purpose named, they are hereby authorized and requested

to engage the services of some other gentleman, as a substitute, and to perform any other duty that they may deem appropriate to the occasion."

In pursuance of the above resolutions the minutes of the Building Committee relate the following events.

"Mr. Lippincott reported his interview with Mr. Bancker in conformity with the resolution of the 20th inst., and presented a copy of the note of invitation and his reply thereto accepting the same.

'Philad. May 21, 1868

Charles N. Bancker, Esq.

My Dear Sir,

Mr. Lippincott on behalf of the Building Committee of The Philadelphia Saving Fund Society composed as follows:

Messrs. Joshua B. Lippincott, Chairman, S. Morris Waln, Joseph Harrison Jr., Edward Shippen and Alexander Biddle, will present you with a preamble and resolution adopted with cordial unanimity by the Board of Managers at their last stated meeting.

According to the records of the Society you are the only surviving gentleman of the twelve who were convened on the 25th of Nov. 1816 to form the Association; and, as the resolution states, you are the only survivor, save one, of the original Corporators.

Under these circumstances it seemed most fitting to the Board of Managers that you should be invited to perform the interesting service referred to.

The Society from very small beginnings has attained collossal proportions, having now about 25,000 depositors, and a contingent fund amply sufficient, it is believed, to meet any emergency. To render still more secure, however, the property entrusted to the Institution, it is at this time engaged in the construction of an edifice for its accommodation of the most solid and enduring materials. It is especially meet that you should not only participate in the ceremonies incident to its inception, but that you should take a prominent part therein. I trust therefore that it will be equally convenient and agreeable to you to comply with the wishes of the Board, and that the desired service will consti-

tute one of the crowning acts of your very long and eminently useful life.

Tendering you my fervent wish that the evening of your days may be those of unalloyed happiness

I am very truly yours

Caleb Cope.'

'Philada. May—1868

Caleb Cope, Esq.

My dear Sir,

I could not fail to be sensibly affected by having my attention called so suddenly, and in such a touching manner to occurrences of gone by times and nearly lost recollections; the resolutions of the Board of Philadelphia Saving Fund Society and your kind note bearing so specially on my personal history could not but afford me much gratification.

Please accept my thanks and convey them to those whom you represent, and assure them that it did give me great pleasure to comply with their invitation to lay the corner stone of their new building.

Allow me to express my congratulations that your Institution is so happily fulfilling its original purpose, and thereby proving itself so great a blessing to Philadelphia.

I will add that the solicitation of the Board could not have been sent to me through a more acceptable channel than yourself, with a number of whose family now gone from us, I held intimate relations.

Accept therefore my dear sir this testimonial of my affectionate regard.

C. N. Bancker.'

"On motion the Mayor of the City, Morton McMichael, Esq., was directed to be invited and also with a request to make such remarks as he may deem appropriate.

"The Chairman reported that in consequence of the inclemency of the weather it was impossible to lay the corner stone at the appointed time, and that in consequence thereof the ceremony

was postponed till Saturday June 13th at noon, when it was duly performed.

"Invitations had been sent to the President Judges constituting the Board of Appointment but whose engagements it is presumed prevented their being present.

"The following correspondence passed between the President of the Society and the Mayor, in conformity with a resolution of the Building Committee.

'Philada. June 6th, 1868

Hon. Morton McMichael,
Mayor of Philada.
Dear Sir,

The Philadelphia Saving Fund Society proposes laying the corner stone of their new Office on Thursday next at 1 o'clk P.M. It is the unanimous desire of the Building Committee (who are entrusted with the arrangements, preparatory to said event,) that you should be present on the occasion, and address a few remarks to the Company.

To the request of the Committee, I would add my warm personal solicitation for a favorable response, knowing that the service rendered would be highly acceptable to all interested.

Very Resp't
Yours
C. Cope,
Pres't.'

'Office of the Mayor of the
City of Philadelphia
June 8, 1868

Dear Sir,

It will give me great pleasure to comply with your request.

Very truly y'rs
Morton McMichael

Caleb Cope, Esq.,'

"The Building Committee borrowed of the Penna. Academy of the Fine Arts their large National Flag which was swung to the breeze across Walnut St.

"A spacious platform was erected at the N. E. Cor. of the boundary of the lot where the corner stone was placed which had been excavated for the reception of a leaden box 18 inches in length, 12 inches in width, and 10 inches in depth.

"At the appointed hour the Managers proceeded from the Architects' Office, the President with Mr. Bancker being in advance followed by the Chairman of the Building Committee and the Mayor, to the place designated for the prescribed ceremony where a large concourse of our citizens had convened to witness the same. The sky was unclouded and the day intensely warm.

"The proceedings were opened by the President of the Society, who traced its history from its origin to the present time, making allusion to the fact that Mr. Bancker was the only survivor of the Founders of the Institution and he and Mr. Daniel B. Smith of Germantown the only survivors of the original Corporators.

"The President spoke of Mr. John A. Brown and Mr. Francis Gurney Smith as the oldest members of the present Board, being elected on the same day and having faithfully and efficiently served the Society for a period of 41 years.

"After the President had concluded his address the Mayor spoke in laudatory terms of the Institution presenting an eloquent exposition of the good the Society had done, and was continuing to do to the public.

"Upon the conclusion of his remarks a deposit was made in the leaden box referred to, of the following articles, the history of the Society being first enclosed in a sealed glass bottle.

"History of the Society from its foundation to the present time, with the signatures of the Managers and Officers of the Institution.

"List of the Managers of the Institution from its origin with the date of their election &c.

"List of the Officers with the date of their election respectively.

"Last annual statement made to the Legislature of Pennsylvania showing the Liabilities and Assets of the Society at the commencement of the present year.

"Pamphlet copy of the Charter and By-Laws of the same.

"Deposit Book of ditto.

"Last Annual Message of the Mayor of Philadelphia to Councils.

"Last Annual Report of the Controllers of the Public Schools.

"Message of the President of the United States to the Fortieth Congress.

"Inaugural Address of Gen'l John W. Geary, Governor of Pennsylvania Jan. 15th, 1867.

"Message of Governor Geary to the Legislature January 8th, 1868.

"Annual Report of the Superintendent of Soldiers' Orphans made to the Governor Dec. 7th, 1867.

"North American & United States Gazette of June 6th, 1868, containing an account of the Banquet given by the Municipal Authorities of Philada. to the National Board of Trade, with a card of invitation to the same.

"Gold Coins of the United States viz., Eagle, half Eagle, quarter of an Eagle, and Three and One Dollar issues.

"Silver Coins do. of One, halves, quarters, dimes, half dimes, and five and three cent nickle coins.

"Nickle cents three different issues.

"One old copper cent.

"Specimen set of fractional currency comprising samples of all the varieties and denominations issued, faces and backs printed separately. One set ditto embracing all now in circulation. Specimens of 15 cent fractional currency with portraits of Generals Grant and Sherman intended to be issued, but which were not put into circulation.

"Five, Two and One Dollar issues (Greenbacks) of the United States.

"One Five Dollar National Bank Note.

"Design and interior plan of the new Office Building of the Society, the latter being drawn on linen.

"Silk Flag of the United States.

"Philadelphia Directory for 1868.

"Lippincott's Gazetteer of the United States.

"Lippincott's Magazine for June.

"Acts of Assembly relating to Fairmount Park.

"Report of a Special Committee of the Commissioners of

do. upon the Preservation of the Purity of the Water Supply.

"Report of the Committee on Plan & Improvement of the Park, and upon the extension of the same.

"Report of the Board of Managers of the Penna. Hospital 1868.

"Report concerning the Union Pacific Rail Road.

"Evening Bulletin and Telegraph June 12; daily morning papers including the German issues June 13th; U. S. Rail Road & Mining Register, Commercial List, Trade Journal June 13th; Harper and Leslie's Pictorial, last issue Harper's Bazaar.

"Holy Bible presented by the Penna. Bible Society.

"Photograph of the Building now in the course of erection for the Philadelphia Saving Fund Society exhibiting a perspective view &c.

"Photograph of the new Ledger Building South West Corner of Chestnut & Sixth Sts. with the first and last issue of the Ledger.

"The leaden box having been placed in the cavity of the Corner Stone prepared for its reception and covered by a marble slab bearing the inscription of the name of the Society, the period of its origin and incorporation, the granite block intended to form a part of the superstructure of the Building was placed over it when Mr. Bancker performed the duty assigned him accompanying the operation by a brief and affecting address, after which the company dispersed.

"The President presented a communication from Dan'l B. Smith, one of the original Corporators, which was directed to be entered on the minutes.

'Germantown 6 mo. 10, 1868

Respected Friend

Caleb Cope

Please to accept for thyself and the Building Committee of the Philada. Saving Fund Society, my thanks for your kind invitation to attend the laying of the corner stone of your new building.

Although I was not an original Corporator of the Society, my attention was turned to the subject of such institutions by an article in the Edinburgh Review published before the formation of the Society and I recollect preparing some essays drawn up from that article, which were printed in Poulson's Advertisers.

I was not elected to the Board till two or three years later. I do not think any of the members, as I first knew the Board, survive, except F. G. Smith and myself.* I have known no more intelligent and agreeable association of gentlemen, and the present flourishing condition of the Society proves how uprightly and skilfully its affairs have been managed.

I am still greatly interested in its prosperity and wish it every success; but you will excuse an old man touching on Seventy Six and almost a hermit in his habits for declining to accept your invitation.

Respectfully

Daniel B. Smith.'"

The following brief account of the event is taken from the Public Ledger of Monday morning June 15, 1868:

"Philadelphia Saving Fund Society.

"The corner stone of the building now being erected at Seventh and Walnut Streets, for the Philadelphia Saving Fund Society, was laid on Saturday afternoon with appropriate ceremonies. There were present the officers of the Society, Mayor McMichael and a number of gentlemen, friends of the Institution. An introductory address was made by Caleb Cope, Esq., President of the Society, in which he traced its progress from the organization in the year 1816, down to the present time, showing how steadily and rapidly it had gained in public confidence, and how it had prospered through the wisdom and integrity of its managers.

"During its existence, the whole amount of money received on deposit had exceeded thirty-four millions of dollars, while twenty-eight millions had been paid out, leaving in the vaults of the Institution at the present time over six millions of dollars. Mr. Cope alluded to the facts that Mr. Charles N. Bancker, who was present by invitation to lay the corner-stone, was the only survivor of the founders of the Institution. He had been vouchsafed a long and honorable life, being in the full possession of his faculties at the advanced age of ninety-one years. Mr. Cope also spoke of the presence of Mr. Francis Gurney Smith, who had been a faithful manager of the Society for more than forty years.

Mayor McMichael followed Mr. Cope in a brief address, in

*Mr. F. G. Smith did not become a member of the Board until 1827.

which he spoke of the great pleasure it afforded him, both as a magistrate and citizen, to show his appreciation of the Philadelphia Saving Fund Society, an Institution which had been so wisely and honestly managed, and which, in its way, had been productive of great good.

"After coins of the United States, public documents and copies of the newspapers of the day had been placed in the corner-stone, it was formally laid by Mr. Bancker, bringing the ceremonies to a close."

"Just here it is relevant to say that at the Board meeting of March 3, 1869 the President announced the death of Charles N. Bancker in his 92nd year with the comment that "he was the last of those philanthropic gentlemen who founded The Philadelphia Saving Fund Society," and at the meeting of April 5, 1883 the death of Daniel B. Smith stating that he was "the last surviving Corporator of the Society recently deceased at the age of 91."

The greater part of the foregoing history of the laying of the corner stone has been taken from the Building Committee minutes of June 30, 1868, which also contained the following recital:

"The chairman stated that he had given orders for the removal of the horse-chestnut tree standing at the N. E. corner of the Randall lot and which has long been the admiration of our citizens, as the effort to preserve it was calculated to endanger the lives of the workmen engaged in raising the superstructure of the building, or to materially interfere with its progress."

In his annual report of January 1869 the President commenting on the new purchase said: "There has been a large increase in the number of depositors and a corresponding augmentation of the means available for the discharge of all the liabilities assumed by the Society. To show the rapid increase of the former it is sufficient to observe that since the purchase of the new site for the future accommodation of the Society there has been an addition to their number of five thousand. The additional security which a fire-proof and burglar-proof building will afford to the depositors is very well calculated to inspire the entire community with implicit faith in the solidity of the Institution." The first meeting of the Board in the new building was held October 6, 1869, and on the 11th of the same month the Office was opened

for business. The number of accounts at this time was more than 29,000 and the deposits amounted roughly to $6,380,000. In his report for the year 1870 the President was able to say: "The great increase in the business of the Office is no doubt owing partly to the fact that the limit to each depositor during a single year has been extended from two to five hundred dollars, but even with this fact in view it must be admitted that the admirable provision made for the safety of the depositor by the construction of the substantial edifice in which the savings from his toil and privation are placed has given him increased confidence in the Institution." The increase of individual annual limit referred to was authorized by the Legislature March 20, 1869.*

The new building of plain design and solid appearance enhanced by its granite exterior was planned to easily admit of enlargement which the continuous growth of the business in time made necessary. Accordingly in November 1882 the Society purchased the adjoining property No. 704 Walnut Street. In February 1883 a building committee was appointed with the view of enlarging the Office by building on the newly acquired lot. A plan by Mr. Hutton of the former firm of Sloan & Hutton was accepted but it developed that restrictions on the new property in favor of the adjoining one No. 706 interfered with the contemplated improvements and so in March 1885 the President was authorized to purchase No. 706 and the committee to proceed with the addition. At the January meeting 1886 the President reported the purchase of No. 706, referred to the inconveniences encountered in the transaction of business during the progress of the enlargement and then went on to say "but considering the great gain in contemplation when the work is finished these must be regarded as of a trivial nature. The edifice when completed will, it is believed, be unsurpassed if equalled by any similar improvement in the great Cities of the Union, whilst it will be exceptional in most cases as having no joint tenants to occupy other portions of the building than that for the office of a Saving Fund." The addition, covering lot 704, was completed in September 1886. At the January meeting following the President again referred to it, saying "The provision made for the better Office accommodations seems to be as highly appreciated by our depositors as by ourselves so far as they

*Appendix IV

have seen and understood them. We properly believe them to be superior to any improvement for a like purpose in any similar institution in the United States. The improvement we have made has evidently had its effect upon the laboring class as shown in the character and increase of the deposits." At the December 1887 meeting the Building Committee appointed in January 1883 made a full report on the work accomplished and then added "The immense increase of depositors since this work was ordered and the future increase now plainly in view has justified the action of the Society in this respect and even now the space in the banking room is not too large."

Before long it was too small. In the Summer of 1894 the Society purchased No. 708 and in the Fall of 1896 No. 710 Walnut Street. In January 1897 a building committee was appointed to procure plans for the enlargement of the Office covering lots 706, 708 and 710 and to have them executed. At the October meeting 1900 the Committee reported that the work had been carried on under plans furnished by Furness, Evans & Co., Architects, and completed November 1, 1898 with the exception of the vault, "which, owing to unforeseen delays in constructing the plates for the same out of armor plate or Harveyized steel, not used before in safe making, was not begun to be placed in the building until October 10, 1899, and was only completed March 16, 1900." No additions have since been made. The Office has a front of one hundred and fifty-two feet on Walnut Street and a depth of one hundred and seventy feet on Seventh Street running back to St. James Street. In making the last enlargement the Board looked well ahead to the probable requirements of the Society. Begun in 1868 and brought to its present state in 1900; a little removed from the busiest centres but within easy reach from all parts of the City; flanked on the East by Washington Square which in 1816 was Southeast Square and had been successively "Potter's Field," pasture ground and public square and now has become the centre of the publishing business; less than three blocks from the first Office on Sixth Street and yet standing at about the place where the Philadelphia of a century ago looked Westwardly on the unbuilded waste places which have since become a great city, the present building affords a dignified and befitting Office for the Society*

* See Frontispiece

IV

THE BOARD

A chapter devoted to Managers would naturally cover the whole field of the Society's activities, as the history of its management is its history.

The most important subjects however, on account of their importance and for convenient reference, have been treated separately but necessarily in relation to the Managers. The object of the present chapter therefore is to deal generally with such matters as cannot well be classified, have been only touched upon, or not considered, in other chapters.

The founders of the Society were Condy Raguet, Richard Peters, Jr., Clement C. Biddle and Thomas Hale and associated with them were John C. Stocker, Roberts Vaux, William Schlatter, John Strawbridge, John McCrea, Charles N. Bancker, Samuel Breck and Andrew Bayard.

When it was decided to increase the membership to twenty-five the above named gentlemen together with Samuel Spackman, Richard Bache, Samuel Archer, Reuben Haines, Adam Konigmacher, Henry Hollingsworth, Turner Camac, Israel Cope, Samuel Humphreys, James Schott, Isaac W. Norris, Samuel B. Morris and Joseph Rotch constituted the first completed Board. Henry Hollingsworth, Israel Cope, Samuel Humphreys and James Schott having resigned before the application for a Charter, the remaining members, and Ludwig Krumbhaar, John Vaughan, Daniel B. Smith and Matthew C. Ralston, who had been elected in place of those who had resigned, were incorporated into The Philadelphia Saving Fund Society by the Act of February 25, 1819.

In the formative days of the Society a no inconsiderable draft was made on the time and attention of the Managers to which they responded with commendable zeal in view of the nature of the experiment, new to the conditions of the community and to the temperament of the people, and from which they had nothing to derive for themselves except a possible failure, or the inward satisfaction from a successful venture in philanthropy. Indeed the minutes from the very beginning constantly evince the con-

tinuing solicitude of the Managers for the depositors and the desire to extend the benefits of the Institution to those whom it was intended to serve and protect. The frequent repetitions in this regard conclusively show how steadfastly the Board has kept in mind the original purpose and adhered to the ideal of the founders. Some one prompted by a spirit of investigation has left a record of the interest and industry of the Managers in the early days of the Society in the following words: "It will moreover be seen by reference to Minute Books Nos. 1 and 2, whilst the Society was acting under the Articles of Association, that its operations for that time, or two years four months and six days, required the action of fourteen standing and seventeen special committees, their duties in many cases quite arduous; more particularly of the special committees, requiring great research for the production of elaborate reports necessary for the due consideration of the subjects referred to them by the Board."

The original Articles provided that no emolument whatever should be received by the President, Managers or Trustees for their services, and this in so far as the President and Managers were concerned (the use of Trustees being discontinued after the incorporation) was carried into the Charter and has been modified only in the case of the President or Vice President of the Society.

The real constructive work in the organization of the Society was done in the Articles of Association* and the first by-laws adopted by the Board. The former were closely followed in the Charter† and the latter constituted the basis of the present by-laws which contain many of the original provisions. Only three standing committees have been found necessary for the business of the Society. Originally they were designated as the Acting Committee, now the Committee of the Month; Committee of Finance, now the Finance Committee; and Committee of Accounts, the forerunner of the present Committee on Examination. The reason for the Committee of the Month was that the Articles of Association and then the Charter both required that two or more Managers should attend at the Office to receive deposits and to make payments. Until 1865 the Office was open to depositors only

* Appendix I.
† " III.

two days in the week and for only a few hours: on Mondays for receipts and on Thursdays for payments. At the meeting of December 2, 1816, it had been found necessary to anticipate the formal adoption of the Articles of Association by the appointment of the first Acting Committee, who were Condy Raguet and William Schlatter. Accordingly under the first by-laws, adopted December the 9th, the Board was divided into committees of two to serve in regular monthly succession. Besides attending to depositors they were to invest the funds in conjunction with a Committee of Finance created by special resolution at the same meeting. The hours specified for their work in the Articles of Association were at first from nine to eleven A. M., changed in January 1817 to such times as might be appointed by the Board, which by resolution changed them to from four to seven P. M., and these continued to be the hours until 1833 when the committee were practically relieved from daily attendance by an act of the Legislature authorizing compensation to be paid to the President, thus putting the Managers in a position to command the whole time and services of a member of the Board who became the centre of authority and responsibility. To what extent the Acting Committee actually received deposits and paid money to depositors cannot very accurately be determined. At the September meeting 1820 a special committee urged that the rule for receiving deposits on stated days should be rigorously enforced, and then added: "In the propriety of this determination the committee are the more satisfied as by it the Committee of Managers of the Month may be enabled to attend to the receipts and payment of all moneys deposited with or paid by the Institution, a duty which is certainly imposed on the committee by the Charter and which has hitherto been neglected only because of the just and merited confidence reposed in the Treasurer." Again in 1821 a committee on revision of by-laws reported, inter alia, that "a reference to the principles upon which the Society was founded and an examination of the Act of Incorporation will satisfactorily establish the fact that on the Committee of the Month was intended to devolve the responsible duties of receiving and paying the moneys which may be deposited by those for whose benefit the Institution was formed.

"These duties, thus expected and imposed, the committee regret to say have been hitherto almost entirely neglected, or have been performed without a proper sense of their obligations and of their importance.

"The seventh fundamental Article in the Act of Incorporation provides, that 'two or more Managers shall attend at the Office of the Society at such times as may be appointed by the Board of Managers, to receive deposits and to pay such sums as may be withdrawn.' The powers to pay and receive money, are thus exclusively given to the Committee of the Month; and the Managers will at once perceive, that by a fair and just construction of the law, the business of the Institution will be or ought to be suspended, if the Committee of the Month shall omit the performance of the duties enjoined on them. It is not expected that hereafter omissions of these duties will exist: yet should any occur, it is deemed reasonable that a penalty shall be paid for them, and a penalty is therefore recommended in a resolution subjoined to this report."

To stimulate them to greater effort five dollar fines were imposed upon them by the Board for non-attendance and when the Treasurer in October 1822 reported a shortage for one day of ten dollars in deposits which have been made good by him, the Board resolved that the Committee of the Month should be answerable for receipts of deposits. In 1836 a committee on the duties of the Officers stated that the rearrangement of the business subsequent to the act of April 1833 had greatly lightened the labors, duties and responsibilities of the Managers and devolved them on the President, and that "the necessary attendance of the monthly committees on the days of receipts and payments; the personal action of the members of the committee in counting the money paid and ascertaining the amount received; their supervision of the accounts of the Treasurer, which were formerly required and always performed, have altogether ceased." It would seem therefore that at least after the report of 1821 and the changes in the by-laws then adopted, and until 1833, the duties of the Committee of the Month were exacting and arduous, and although the transactions of the Society were few in comparison with later times, and the demands of private business less impor-

tunate, still, the performance of their duties was an ever increasing burden borne at the cost of much personal inconvenience and sacrifice. The provision for this committee and their duties as prescribed in the Articles of Association is still in the Charter but has become largely obsolete as their original duties, grown to immense proportions in so far as receipts from and payments to depositors are concerned, have for many a day been performed by a large force of skilful tellers who have put through as many as 5559 transactions in a single day. For a long time it was the practice for members of the Board appointed for a certain month to continue to perform their duties in that month from year to year. This gave occasion to the President to remark to the Managers in December, 1851, "that the two gentlemen who had made and signed the report of the Committee of the Month, viz: John J. Vanderkemp and Lawrence Lewis had been Managers of this Society, the former for upwards of thirty two years and the latter for nearly thirty one years, and that during the whole of that time they had acted together on the Committee of the Month for November and uniformly examined, audited and signed these reports. Indeed, during the first four or five years, they had made all the original entries in the books for the month in conjunction with the then Treasurer the late Mr. George Billington." Once a month the present committees vouch the Office expense account and assume responsibility for the report to the Board of receipts and disbursements of every kind in the form of a statement which has been verified by a certified accountant.

The Committee of Finance, as just related, was created by special resolution of the Board December 9, 1816. Their duties, as defined by the resolution, were "in conjunction with the Acting Committee to regulate the investment of the funds and sale of the stocks of the Institution."

The first members, elected at the following January meeting, were Condy Raguet, Thomas Hale and John McCrea. At the September meeting 1820 a special committee reported that by reason of the nature of their duties, arduous and responsible and performed with diligence and ability, the name should be changed to Committee of Investment and this was adopted at the December meeting 1820. The name was

changed to Finance Committee in November 1888 and remains so to this day. At the same time the committee was required to annually elect a chairman, which had not been the case previously, who, in the absence of the President and Vice President, is authorized to perform the duties of the President and to act in his place. A complete list of the members of this committee, under its various names, will be found in the Appendix.*

The duties of the Committee of the Month were apparently sufficient to keep them occupied without attending to the investments and so this duty gradually devolved upon the committee which was constituted for that specific purpose. The Finance Commitee or Committee of Investment had first consisted of three members, which on March 2, 1881, was increased to five and on February 3, 1904, to seven, and this number still prevails. Until 1904 it was the custom to annually elect the same members of this committee and thus maintain a continuity of policy, the only changes consisting of filling vacancies as occasion might require, but in that year in order to distribute the labors and responsibilities and to keep all of the members of the Board more intimately in touch with the business of the Society the by-laws were changed so as to provide for rotation by annually dropping the two senior members in service from the committee and substituting two other members of the Board. The size of the committee insures that there will thus be no radical change of policy by reason of a lack of familiarity with precedent. It is the practice of the committee to meet once a week.

Charged with great responsibility on account of their broad powers of investment and administration as the executive committee of the Board, it may be said without detracting from the value of the Board's general supervision and active participation, that the financial condition of the Society bears witness to the care and fidelity with which the committee have performed their duties.

As long ago as April 1821 a special committee on revision of the by-laws stated that "the duties of the Committee of Investment involve the most important and extensive operations of the Society." What will be said in a subsequent chapter on Deposits and Investments will bear out this comment.

*Appendix VI.

Indeed the records contain no more honorable and striking instances of devotion to duty than those of the Committee of the Month in the early days of the Society and of the Finance Committee throughout the whole period of its existence.

The first reference to the Committee of Accounts is in the minutes of January 5, 1818, and the last in those of February 4, 1885, when it was superseded by the Committee on Examination. The first auditors were appointed at the December meeting 1817 and at the following meeting the first Committee of Accounts, consisting of John Strawbridge and John McCrea, were appointed to prepare an account for the auditors. For many years the duty of this committee was to prepare an annual statement of the condition of the Society, which was then verified by the auditors. As early as 1852 and as late as 1882 the by-laws simply provided for such a committee of three members but did not prescribe their duties which were designated by the resolution first creating the committee. In January 1858 however the President stated that "under the present system a full examination of the cash assets of the Society occurs only at the end of each year: to be effective the investigation should be more frequent and made at undefined periods. The President respectfully recommends therefore that it be made the duty of the Committee of Investment to examine at least four times in each year, at such times as they may deem expedient, all the cash assets of the Institution." The suggestion was adopted by the Board. There is nothing in the records to show why this duty was imposed upon the Committee of Investment or how long or to what extent they made the prescribed examinations, but the minutes of February 4, 1885, show that the Committee of Accounts submitted their usual annual report of an examination of all the assets and that a by-law was adopted creating the Committee on Examination and defining their duties. The object in creating this committee was evidently to supersede the Committee of Accounts, of which no further mention is made in the records, and to enlarge the duties they had performed by increasing the number of examinations and making the whole Board participate in them. As at first constituted twelve Managers were divided into four committees of three each to make in all four examinations a year, but under this rule it required two years to

put all the Managers in personal touch with the assets of the Society. It was accordingly changed in June 1903, again in November 1904, and finally in January 1915 so as now to provide that in every year the whole Board shall be divided into two committees, each of which shall make one examination within its term of six months and that in addition the Board may at any time direct an examination by certified accountants.

The Charter as amended March 15, 1824* requires the auditors yearly appointed by the Board of Judges to audit and settle the accounts of the Society once a year, so that the regular annual examinations now consist of one by the auditors, two by the Board and one by the State Commissioner of Banking who can direct such examinations to be made as often as he may deem proper.

To take up the work of the many special committees that have been created from time to time, and which have performed invaluable services to the Society, would make this narrative run too much into detail. Among such committees have been those on by-laws, on revision of methods of doing business, on the purchase of sites and erection of buildings;† and many others as the work of the Society has demanded.

The first acts of the Managers after the incorporation were the adoption of a seal, appointment of a Secretary and Treasurer and of a committee to have printed and published the Act of Incorporation, the Address, Tables, etc. "in conformity with a resolution of the Board of Managers under the Articles of Association." Pending the adoption of a permanent seal the Board authorized the use of the private seal of the President. In May 1820 a design was adopted closely conforming to the one now in use, the slight changes probably having been made in 1832 when the Treasurer reported that he had obtained a new seal and a press. A bust of Franklin, his wise saw "a penny saved is a penny earned" and the motto "crescit eundo" are its appropriate and chief features. In October 1820 a committee was appointed "to take into consideration the propriety of engrafting on the Saving Fund Society an institution in the nature of a "Mont-de-piété" which at the

*Appendix IV.

†For Building Committees see Appendix VI.

January meeting following was discharged from the further consideration of the subject.

To meet the requirements of the amendment to the Charter casting upon the President Judges of the Courts the appointment of Managers a committee was appointed in May 1824 to consider the manner of applying the amendment, the chairman of which in August reported that he had ascertained "by an interview with the Chief Justice of the Supreme Court, who was by law ex-officio President of the Board of Appointment, that this respectable and learned gentleman will assume the trust confided to him. Of the readiness of the President of the District Court and of the President of the Court of Common Pleas to adopt the example of the Chief Justice no doubt is entertained, and thus it may with safety be presumed that the provision of the Act of Assembly will go into operation." A further report by the Committee, presented to the Board at the November meeting 1824, makes interesting reading and is as follows:

"That on a reference to a former report made by the chairman of the committee, (2d Aug.), it will be found that the Chief Justice of the Supreme Court and the other respectable judicial officers who are associated with him in the trust, and compose 'The Board of Election,' having consented to perform the duties assigned to them, an arrangement has been made for the organization of the Board, and that minutes of their proceedings shall be regularly kept; the Secretary of the Saving Fund Society to act as the Secretary of the Board of Election.

"It may therefore be assumed, that as there shall be presented to the Board of Election the lists required by the Act of Assembly, the gentlemen who compose it will act thereon and fill all the vacancies which now exist in the Board of Managers.

"There are now four vacancies in the Board of Managers of the Saving Fund Society; and it is important that at as early a period as possible, these vacancies shall be supplied.

"The Committee have upon deliberation adopted an opinion that a compliance with the provisions of the law will not require that a separate list containing five names shall be presented to the Board of Election for the supply of each vacancy, when more than one vacancy exists. If a list containing a sufficient number of

names to contain not less than five when the last vacancy is to be supplied shall be presented it is deemed by the Committee sufficient.

"To illustrate this suggestion—For the supply of four vacancies in the Board; it is proposed that a list of eight names shall be presented to the Board of Election; and as until they shall have made the whole four appointments, there will be five names for the consideration of the Board the commands of the law will be obeyed.

"It will not be considered by the Board of Election, that the submission of this small number of eight names for their consideration, when so many vacancies exist is in anywise disrespectful or intended to limit the sphere in which that Board must act. The right of that Board to reject all the persons offered to them is acknowledged; and it is therefore thought that the course now proposed will be appreciated and approved; as it is recommended by convenience and its easy accomplishment.

"Many difficulties have presented themselves to the Committee, in relation to the manner in which the list shall be offered to the Board of Election; and considerations of a peculiarly delicate nature have been in the view of the Committee, in reference to the management of the names of the gentlemen to be entered on the lists.

"It would without doubt be desired by the Board of Election, that they should be informed of any preference which may prevail in the Board of Managers, in favor of any individuals on the list; and that such preferences will frequently exist, will be admitted. But as the purpose of the Legislature was to take the appointment of Managers from us, and to give it to the Board of Election, should they be regulated by our wishes, their trust might be considered as relinquished or imperfectly performed.

"Yet it is not deemed irregular by the Committee, that should the Board of Election ask to be informed of our desires, for the appointment of a particular individual, that the same should be informally made known to them; and the manner in which it is proposed to arrange the names on the lists will sufficiently intimate to the Board of Election, our predilections and preferences.

"It is one of the painful incidents to the provisions of the Act of Assembly, that we must offer to the Board of Election the names

of gentlemen, who may have consented to act with us as Managers of our Institution, and who must be rejected by that Board. The duty imposed upon us to present five names out of which only one can be elected, must always be unpleasant, and it will become more so from the circumstance that we shall ourselves have preferences, and will be desirous that these should be known and complied with. Yet we must not shrink from our duty; and the Committee propose, that this duty shall be performed by electing every individual on the list by separate ballot, and inserting upon it, as the selection may be made, the name of each person who may be thus selected—The rank of the individuals on the lists will then indicate, faithfully, the sentiments of the Board towards each of them."

This early construction of the Act as to the number of names to be presented was approved by the Board of the Society and has always been acquiesced in by the Board of Election who, while generally disposed to meet the wishes of the Managers, have however not always felt constrained to make appointments in the order in which the names are presented.

In view of the expressed declaration of Article 3 of the Charter that "no emolument whatever shall be received by the President or Managers for their services" it is interesting to note that in April 1825 a committee was authorized to obtain from Messrs. John Sergeant, Horace Binney, William Rawle and Charles Chauncey opinions as to whether the Board could appoint to the office of Secretary, Treasurer or other office to which a salary may be attached, a member of the Board, and that Messrs. Sergeant, Binney and Rawle replied in the negative and Mr. Chauncey in the affirmative. An involuntary smile is provoked by the excess of caution which submitted a simple question of administration to such an array of those great leaders of the Bar whose names have come down to us with an exalted tradition of character, ability and learning, but there was an important principle involved and the Managers were taking no chances with their reputation of acting according to the highest legal and ethical standards. One cannot but suspect that their advisers appreciated the situation, as they made no charge for their opinions.

The Managers not only imposed fines on the Committee of

the Month for non-attendance on days of deposits and payments, as we have seen, but also a fine of fifty cents on such of themselves as were within the limits of the City and Liberties for absences at stated meetings. The penalties were seldom enforced and in January 1827 it was resolved that "all fines heretofore incurred by non-attendance at meetings of the Board be remitted."

On November 1, 1825, a special committee on the mode of investing the funds of the Society reported that the growth of deposits rendered it difficult to provide investments bearing a sufficient rate of interest and that to impose upon any committee exclusively the duty of making such investments was to exact more than their proportion of labor and a heavier responsibility than was just and reasonable and recommended therefore that the Managers should meet weekly, the weekly meetings of the Board not to interfere with or interrupt the regular monthly or other special meetings. The report was unanimously agreed to. This involved the expenditure of much time and patience on the part of the Board but continued with broken intervals down to 1846.

In June 1829 a committee was appointed to take under consideration the reports in circulation touching on the solvency of the Institution and a resolution was passed to contradict the reports by a publication in the papers over the names of the Managers referring the depositors and all others to the annual statement of the condition of the Institution made to the Legislature in the preceding February, and asserting that no material alteration had taken place in the situation since that time, no loss of any kind had been sustained and that at the moment of the publication no portion of the funds was in jeopardy nor had anything occurred in any manner to impair the solidity of the Institution. There have been occasions, as will be seen in a subsequent chapter, when owing to prolonged business depression or acute financial distress affecting general business the Society has had to meet heavy withdrawals by depositors, but there is no record of any other instance requiring action by the Board to deal with a situation developed by reports concerning its solvency. In his annual report of January 1843 the President referred to this incident as being exceptional in its character.

In 1833 the attitude of the National Administration toward

the Bank of the United States resulted in the withdrawal of public funds from that bank and their deposit in other institutions. This act of the Government was strongly condemmed by many of the financial institutions of the City which urged the restoration of United States deposits to the Bank of the United States. There was considerable difference of opinion among the stockholders of the banks which had been substituted as to the propriety of receiving such deposits. Among the banks which had been made depositories of public funds was the Girard. On March 20, 1834, the President of this Society was directed to sign in approval a preamble and resolution which had been adopted at a meeting of the stockholders of the Girard Bank held just three days previously reciting that the removal of deposits from the Bank of the United States was a violation of its chartered rights which had brought embarrassment and distress to the Country previously in the enjoyment of unparalleled prosperity and instructing the directors of the Girard Bank to restore to the proper authority the deposits of the United States. The resolution of the stockholders in terms disclaimed an intention to censure the directors of the bank for receiving such deposits but expressed the opinion that the interests of the public at large and of the stockholders were adverse to their retention by the Girard Bank. The resolution of this Board was evidently intended simply as an expression of opinion on a matter that was held to affect general business and therefore all financial institutions. The Society was not a stockholder of the Girard Bank nor was the latter one of its depositories.

At the April meeting 1835 a special committee reported that the principal objections to the existing by-laws appeared to be a mingling of provisions essentially different in their character and efficacy; a want of method and precision, and the absence of important regulations on the duties of Officers, transaction of business and concerning depositors. A distinction was made between such as properly speaking concern "the duties of the Officers and the internal economy of the Office and those which relate to depositors and are intended to inform them, or to operate upon them, in their relations with this Society." Questions had arisen as to the rights of depositors which had caused not a little perplexity. The committee stated, inter alia, "The Act of

Incorporation gives authority to the Managers to make such by-laws as shall by them seem meet or convenient for the government of the corporation, and all by-laws duly made and not contrary to the constitution and laws of this Commonwealth are binding upon the Society and its Officers. But with respect to depositors, it is believed that a different course must be pursued. The by-laws for the government of the corporation it is conceived cannot by their own force operate to change any general rule of law governing the contract between the parties, however inconvenient for the Society. Instances have occurred in the practice of this and similar institutions tending to prove the correctness of this position. To render the ordinances of the Managers, therefore, binding upon the depositors—in the absence of any authority from the Legislature to enact such, as has been given in England by the Statute 9 Geo. IV C. 92—it is believed to be necessary that the depositors should agree to be bound by them." It was therefore suggested to arrange all the provisions regarding depositors under a distinct head and have them printed in a book to be signed by each depositor at the time of making a first deposit and also printed in the pass book for the information of the depositor. The difficulty was finally overcome by adopting a rule requiring depositors to bind themselves to the regulations printed in the deposit books and to such changes therein as may be made from time to time after due notice by posting in the office of the Society.

The matter is not without interest even now as this is the present basis of the relationship between the Society and its depositors. The report referred to was a model of its kind; logical and constructive, and has formed the basis for the present by-laws. The committee stated that they had "had the benefit of the examination of the rules of the English Saving Banks, and of those of Boston, New York and Baltimore from which they have derived some useful information."

On April 19, 1837, a special meeting was called for the purpose of making known to the Board "that the President of the Commercial Bank of Pennsylvania with which bank the Society's moneys are now deposited, this morning informed the Treasurer of the Society that it would be an accommodation to the Commercial Bank to close this Society's account with them."

The Commercial Bank of Pennsylvania, of which Andrew Bayard the first President of this Society had been President, was the second depository of the Society, selected on March 18, 1819. There is nothing to show why it took the action which has just been recorded. The first depository was the Schuylkill Bank.

At the same meeting the Bank of the United States was appointed the depository. This was the United States Bank of Pennsylvania which had succeeded to the second Bank of the United States, whose charter expired in 1836 after an extension of the same had been passed by Congress and vetoed by President Jackson. This depository suspended specie payments February 4, 1841, and from that time until the appointment of the Philadelphia Bank on March 6, 1844, the cash assets of the Society were kept in its own vault. The result of the failure of the Bank of the United States of Pennsylvania on the assets of the Society will be mentioned in the chapter on Deposits and Investments, but just here it can be said that it constitutes the only instance of a failure of any one of the Society's depositories.

It is a usual experience for managers of corporations to be appealed to for donations to all sorts of public and private objects, many of them meritorious but involving a delicate question as to the legal right of the corporation to comply with the request. The matter does not present great difficulties to directors of stock companies who can have recourse to the stockholders for their authorization or ratification, but in the case of corporations without capital stock where the only authority is the expressed or implied power of the board under the law, embarrassing questions do arise presenting the alternative of a narrow, parsimonious, literal interpretation on the one hand, or on the other of a broad, liberal one conceived in the supposed spirit of the charter. Where the legality is reasonably open to doubt perhaps a fair principle for a decision is not simply whether the end to be attained would or would not be for the benefit of the corporation, but also whether, if the donation were not made, the interests of the corporation would be prejudiced. The determination of this is necessarily in the discretion of the board which, if called to account, would deserve and probably receive a maximum of consideration

from the Courts for having acted on the correct principle even if they had misapplied it in the particular case.

The most noteworthy of such questions in the history of this Society, and the most interesting on account of the times and the circumstances out of which they arose came before the Board at the outbreak of and during the Civil War.

On May 1, 1861, a request from the Committee of Public Safety for a donation was refused without dissent on the ground of the Society being "a purely beneficial society." On August 6, 1862, a special committee of the Board was authorized to pay a sum of money to the proper authorities in aid of the volunteers for three years, or for the war. The resolution was carried by eleven to four, those in the negative basing their vote on the ground that "the Society is a benevolent institution whose sole purpose is to receive and invest the money of its depositors as Trustees, for their benefit, and it is not, in the opinion of the Board, competent for the Managers to indulge their feelings of benevolence or patriotism by giving any part of the fund held by this Society as a donation for any object however meritorious."

Almost a year later, on July 1, 1863, at the very time the safety of the City was imperiled by Lee's attempt to invade Pennsylvania, which was defeated at Gettysburg, the minutes recite: "Whereas the imminent danger to which the City is exposed by invasion from the rebel enemy requires the utmost aid that can be given to its defence, Therefore, Resolved that Messrs. Cope, Hutchinson and Robins, be, and they are hereby authorized and requested to pay the sum of Five Thousand Dollars to the proper authority entitled to receive, to be applied to the defence of the City, in such way as may to them seem most effectual." The resolution was again carried by eleven to four. At the stated meeting in the following month the committee in charge reported that they had disbursed a part of the fund in accordance with the resolution, whereupon the Board directed that the balance of more than half should be returned to the Contingent Fund. A year later, at the August meeting, 1864, an application was received from the Union League for "a subscription to their Military Fund to enable them to raise another, the Sixth Regiment, in response to the President's call for 500,000 men." The matter was referred,

apparently unanimously, to the Committee of Investment with authority to act as they might deem expedient. Again, in his annual report of January 1865 the President stated "The Board are aware that the President of the United States has made a further call for volunteers to enter the army. Believing that the co-operation of this Society in the effort to supply men for the defence of the Union is a legitimate duty, I recommend that the Committee of Investment be authorized, in connection with the President, to contribute from the Contingent Fund of the Society a definite sum for that object. In my judgment the City of Philadelphia may be quite as readily defended, to say the least, on the banks of the Potomac or Susquehanna as on the banks of the Schuylkill and thus it becomes the manifest interest of the depositor that those in the custody of his money should apply a portion of its already surplus earnings to an instrumentality calculated the more effectually to preserve intact the property upon which the repayment of his money most depends." In accordance with the recommendation the Board authorized the Committee of Investment "to make from time to time appropriations to be applied to the defence of the City, and to facilitate recruiting in the United States army, not to exceed $5,000."

In his next annual report, after the war had come to an end, the President concluded his comments on the subject: "In supplementing the duty of the City under the urgent circumstances I have alluded to, it is gratifying to reflect that notwithstanding the annoying delinquency of its authority, and the implied restriction upon the power of the Board to make voluntary contributions to any object however beneficent, the Society has not failed to lend a cordial coöperation in a legitimate way, to sustain the national existence, and directly and indirectly to succor and comfort those affected by the calamities of war.

"In this connection I beg to refer to the appropriations that have been made by the Board, first to promote enlistment and secondly to minister to the necessities of the wounded and sick soldier, returning from the battle field, the scene of the terrible ordeal which you were partly instrumental, under the impulse of a two fold duty, in inducing him to undergo. Most of our citizens believed this noble City to be in imminent peril at one time from

the near approach of the enemy, and now on reviewing the danger to which it was exposed will it not be conceded that a proper regard for the interest of the depositor demanded that a portion of the surplus earnings of his deposit should be expended by the Board in efforts to insure greater security to the menaced principal. Had the Battle of Gettysburg resulted differently he might unavailingly have looked upon the incinerated relics of the edifices upon which the security of his money had rested for its ultimate payment..... If this be not an occasion for unmixed rejoicing, it is one that should inspire us with emotion of the profoundest gratitude since, though the tempest of civil war has desolated many a hearthstone, and impoverished a large portion of our fair land, our loved Institution has moved securely in its accustomed orbit, performing all the functions contemplated by its organization. The hard wrought earnings of the industrious and frugal which have been entrusted to its keeping have under the continued blessings of a kind Providence been not only preserved intact, but the ordinary increase of the principal, arising out of a judicious investment of the same has been fully realized. The undiminished confidence of the public in the stability of the Institution is daily demonstrated and accumulated confidence is shown that there is no one in any portion of our wide extended Country, upon which the timid depositor may more securely rely for the safety of his original deposit and its promised increase."

Another interesting case of an appropriation by the Board was that of April 6, 1864, to the "Committee of Finance and Donations of the Great Central Fair." In that year the Sanitary Commission of the States of New Jersey, Pennsylvania and Delaware opened a fair in Philadelphia similar to those held in other cities for the purpose of raising a fund for the sick and wounded of the army and navy. Mayor Henry who presided at the opening said "No military resources, however well directed, can adequately provide relief for the thousands of brave men who have suffered from the fatigue and privation of the march or have been stricken down upon the many fields of battle."

Many of the large establishments of the City set aside one day's receipts as a contribution and the Board of the Society made an appropriation of $1,000 and a "sum equal to one day's salary

of the Officers of the Society" which the accounts show amounted to $50.

An informing instance of a refusal to assist a great public enterprise occurred with reference to the Centennial Exposition of 1876. At the January meeting of that year the President urged an appropriation. His language reflects the civic pride of the day: "The present year will be particularly memorable in the annals of our Country. Ought it not to be considered a great privilege if our Institution could be permitted to unite in the general effort to make the approaching celebration of our one hundredth anniversary an eminent success? We must concede that whatever the merits of Philadelphia may be, it holds in the general estimation only a secondary position as compared with New York. The influence of the Centennial, it is believed, will give an impulse to our commercial progress and carry the fame of our noble City to the remotest extremities of the civilized world. I am sure that the Managers of The Philadelphia Saving Fund Society would one and all regret to realize in the end that its organization and design were so considered as to make it incapable of rendering to the great National enterprise in view any material support, however much the depositors might be supposed to be benefited by the grand exposition of the industries of all nations at our doors."

No action was taken on the recommendation.

In a subsequent chapter it will be seen how often and how seriously the welfare of the Society was imperilled by the unsatisfactory condition of the currency. All through the days of what were designated "wild cat" State bank issues down to the time of the panic of 1893 the business of the Country had been periodically thrown out of joint, laborers out of employment and the banking, commerical and industrial interests of the Country laid prostrate. However much other causes may have contributed to the result it is generally conceded that the currency system of the Country was grossly inadequate and largely responsible for the conditions which invariably culminated in panics. In all of these crises there are frequent references in the minutes to the currency system as the chief cause of the trouble. In 1896, therefore, when the whole business fabric was threatened by the action of a great party in committing itself to the cause of the unlimited coinage

of silver at a ratio to gold of sixteen to one the Managers of this Society justly viewed with great apprehension the possible results to the depositors if the measure should prevail. In the light of what has transpired since that time the fallacy and the injustice of what was then attempted are apparent, but it must be borne in mind that the doctrine of free silver had taken possession of the imagination of the people who thought they saw in it the panacea for all financial difficulties. It took courage therefore for the Managers of this Society to face the situation and, in answer to an appeal, to come out squarely in favor of the gold standard by making an appropriation "to be used for the protection of the depositors." The action of the Board, as appears from the minutes, was unquestionably non-partisan and would have been the same had the positions of the two parties on the subject at issue been reversed.

Other instances of less importance could be cited from the records but these four, as dealing with matters of large public interest, are representative of the general practice of the Board which makes no donations except upon the recommendation of the Finance Committee under the advice of the Solicitor.

The most important work of the Managers however, will be developed in the history of the Society's investments which necessarily constitute its very vitals, as upon them depends solvency or insolvency.

Its immense growth and the valuable work it has done and is still doing have given it an unique place in the community and many years have passed since any one elected to the Board has declined the honor. While, in presenting names to the Board of Appointment for filling vacancies in their own body, the Managers have endeavored to maintain a representation of the various social, professional and business interests that may be well considered as entertaining a liberal appreciation of the Society's aims and achievements, they have also been glad to indulge, when times and circumstances permitted, a special regard for that individual interest that naturally arises from family association with the Institution. Not a few of the present members are related to preceding Managers, and in several instances can directly trace back family representation to the third generation.

The chief work of the Managers has necessarily been on committees in which they all now from time to time participate. To distinguish any by special mention of valuable services would be invidious, as where such services have been rendered they have been due to committee membership at the time and in no wise to a lack of interest on the part of others. Except where the exigencies of the narrative have made another course desirable, it has been the aim to make it impersonal in so far as the members of the Board are concerned.

The present membership in the order of seniority of service is as follows:

JOHN T. LEWIS, JR.
EDWARD H. COATES.
EFFINGHAM B. MORRIS.
ARTHUR E. NEWBOLD.
C. S. W. PACKARD.
J. RODMAN PAUL.
CHARLES E. INGERSOLL.
G. C. PURVES.
T. DEWITT CUYLER.
FRANCIS I. GOWEN.
JOHN W. PEPPER.
CHARLES BIDDLE.
GEORGE McCALL.
HENRY H. COLLINS.
CHARLES B. PENROSE.
JOHN B. MORGAN.
JAMES LOGAN FISHER.
ALBA B. JOHNSON.
FRANCIS A. LEWIS.
JAMES M. WILLCOX.
S. PEMBERTON HUTCHINSON.
THOMAS S. GATES.
STEVENS HECKSCHER.
JOHN HAMPTON BARNES.
EDWARD F. BEALE.

A full list of the Managers and their terms of service from the beginning will be found in the appendix.*

*Appendix V.



Andrew Bayard
First President

V

OFFICERS

Andrew Bayard was the first President of the Society, his term extending from November 28, 1816, to June 1, 1832, the date of his death. He was one of the twelve gentlemen who met on November 25, 1816, at the office of The Pennsylvania Company for Insurances on Lives and Granting Annuities to consider the plan of Savings Banks submitted by Condy Raguet. Likewise he was one of the incorporators under the Charter, and it is worthy of note that after the incorporation, while the Board deemed it necessary to re-elect their Treasurer and to pass a resolution "that all the standing committees as under the Articles of Association be continued," there is nothing to show that they re-elected Mr. Bayard. It was simply assumed that he was President and had held over; a strong indication that in their minds there had been no break in the continuity of the Society.

Born in Philadelphia in 1761 he received there his early education and subsequently pursued his studies at Princeton, where he graduated in 1779. Becoming interested in commercial pursuits he made several voyages to foreign parts and afterwards associated himself in business with his brother-in-law, Andrew Pettit. They were extensive importers and merchants. In 1813 he was a member of Select Council. Upon the organization of the Commercial Bank of Pennsylvania in 1814 he was chosen President. Mr. Bayard's whole tenure of the office of President of the Society was prior to the act of 1833 under which the Managers were authorized to compensate the President and thus secure his undivided services. It was not until after that act that we have the President's reports so full of information of the operations of the Society. In Mr. Bayard's time the minutes are meager and it was evidently intended that he should exercise only a general supervision, and give standing and character to the Society by his position and repute in the community. It was necessary at the outset that a man of prominence in the social and business life of the City should be at its head. The minutes show that he regularly presided at the monthly meetings and

that after the adoption of a resolution in 1825 providing for weekly meetings of the Board in order to share the responsibilities of the Committee of Investment he was just as faithful to those as he was to the other meetings. For six months preceding his death he was absent due to ill-health.

In the short personal sketches that occur in the ensuing pages it has been deemed proper to set out in full the obituary minutes adopted by the Board, as however wide and important the individual's activities may have been in the community it is chiefly with his relations with the Society that this history is engaged and in this connection it is generally found that the minutes, while necessarily brief, are reasonably satisfactory. At all events they invariably express the deep feeling of the Board and the high esteem in which they held the one of whose services they had been deprived. In the case of Mr. Bayard the Board adopted the following minute:

"The Managers of The Philadelphia Saving Fund Society record with sincere and affectionate respect the loss which the Institution and themselves have sustained by the decease of the late President Andrew Bayard, Esquire, who departed this life on the first day of June 1832.

"For upwards of fifteen years he has presided over the Saving Fund Society with integrity, fidelity, and uninterrupted attention to the duties of his station. He was the first President of the Institution, and the amenity of his manners, his polished deportment, and constant observance of his trust, obtained for him the esteem and respect of all the Managers.

"This memory and the recollection of his services will be always cherished by them with the highest consideration and regard."

The first meeting at which he presided was that of December 4, 1816, and the last December 7, 1831.

In addition to the information contained in the minutes a contemporary witness has given us the following:

"As a member for some years of one of the City councils, as President of the Savings Bank, as a trustee of New Jersey College, and of the General Assembly of the Presbyterian Church, he has rendered gratuitously very important public services. With what courtesy and uprightness he has discharged all the duties of social life the large circle of his friends can attest, and



Thomas Hale
Second President

the tears of his afflicted children and relatives bear ample testimony to the peculiar fidelity, tenderness, and affection which he has exhibited in his domestic relations.

"It has fallen to the lot of but few men in a period of more than forty years, to enjoy more general respect and esteem than the deceased."* In the same journal of March 8, 1828, there is an allusion to his personal appearance which is worth repeating. Referring to the effect of the "new liberty" with which the world had been inflamed through the success of the American Republic, and its influence on manners and dress, the editor said:

"Notions of dress were fairly put out of countenance with the majority. Pantaloons, sans culotte, superseded the breeches, and plain, Brutus cropped hair became the fashion. Farewell, a long farewell to frizzled heads and pig-tails!

"The three very last gentlemen who continued the use of powder and who wore their hair behind the head tied in a cue were George Fox, Andrew Bayard, Esqr., President of the Commercial Bank, and my father L. Poulson."

At a later date it was said of him:

"It was as a successful enterprising merchant and as a progressive citizen that caused Andrew Bayard to be recognized as one of the most distinguished Philadelphians at the close of the eighteenth century and beginning of the nineteenth."†

During Mr. Bayard's administration the location of the Office had been successively changed from 22 to 5 South Sixth Street; to 2 Decatur Street; to the S. E. corner of Walnut & 3rd Streets and to 66 (now 304) Walnut Street. The accounts had grown to upwards of 6000 and the assets to about $1,000,000.

At the meeting of June 6, 1832 a motion was passed that during the vacancy Thomas Hale should "execute and perform all such acts, matters and things as appertain to the office of President and have heretofore been executed by the President of this Society." He held the position until the meeting of September 5, 1832, when he was elected President. Thomas Hale was one of the four founders of the Society and also one of the incorporators under the Charter. His term as President was

* Poulson's American Daily Advertiser, Tuesday morning June 5, 1832.

† North American, April 12, 1908.

very brief as he resigned within a day (September 4, 1833) of one year from his election. He evidently did not care to assume the responsibilities which the acceptance of a salary would entail, and which under the act of April 8, 1833, he would have been permitted to receive. At the July meeting the Board passed a resolution fixing a salary for the President to commence the first Wednesday in September, which was the 4th of the month. This accounts for his resigning within a day of the completion of a year.

A resolution was passed accepting his resignation "and that the thanks of this Board be presented to him, for the able, faithful and attentive manner in which he has performed the duties of President of the Saving Fund Society." He continued to be a member of the Board until June 3, 1840, when he resigned after continuous service of nearly twenty four years. He died on November 29th of the same year. He was a member of the Committee of Finance, or as it was subsequently termed the Committee of Investment, consisting of three members, from January 1817 until he was elected President in 1832, and a month after his resignation of that office was again elected to the Committee of Investment on which he remained until January 1840.

He was an active business man; a member of "The Philadelphia Board of Brokers" and one of the trustees of the funds of that board at the time of his death.

At the stated meeting in September 1833 John C. Lowber was elected President pro tempore and at the October meeting was elected President, a position which he occupied for seven months, as he died on the 4th of May, 1834. He had been a member of the Board since 1821 and presided at the meeting of March 20, 1834. At the meeting of April 2, 1834, the Board appointed Mr. Hale to act as President pro tempore "in consequence of the indisposition of the President," whose death was announced to the Board at the meeting of May the 7th.

Mr. Lowber was a native of Maryland whence at an early age he removed with his parents to Philadelphia. In 1801 he entered the College of University of Pennsylvania and subsequently became a trustee from 1828 until the time of his death. From 1815 to 1818 and from 1820 to 1827 he had been Clerk of the Common Councils of Philadelphia. He was a well-known



John C. Lowber
Third President

lawyer and, inter alia, published two editions of the "Digest of the Acts of Assembly and Ordinances of the City of Philadelphia," 1812 and 1822. He was a member of the Library Company of Philadelphia from 1822 to 1834. At a meeting of the Bar of Philadelphia held on May 5, 1834, the day following his death, on motion of Charles Chauncy, Esq., the following resolutions were adopted:

"Resolved, That the members of the Bar of Philadelphia deeply regret the death of their late associate, John C. Lowber, Esq., whose talents and integrity recommended him to the community as a counsellor, and whose virtues and worth endeared him to his associates, as a friend.

"Resolved, that as a mark of their respect for his memory, members of the Bar will attend his funeral and will wear crape on the left arm for thirty days."

"On the announcement of the death of Mr. Lowber, the Circuit Court of the United States, the District Court for the City, and the Court of Common Pleas for the County of Philadelphia, then in session, immediately adjourned, as a mark of their respect for his memory."*

The minute adopted by the Board of The Philadelphia Saving Fund Society evinced their appreciation of his worth. It was offered by Richard Peters, Jr., and is as follows:

"The Managers of The Philadelphia Saving Fund Society in recording the decease of the late President of the Institution John C. Lowber, Esquire, an event which occured upon the fourth instant, desire to express their unanimous respect for the character, talents and services of their departed friend and highly valued Officer.

"Associated with Mr. Lowber for many years as one of this Board and knowing him well in the relations of a citizen and friend, they deem it just in this form to testify the affection, esteem and confidence in which he was held by them all.

"In the life of Mr. Lowber there was a pure morality, a strong and discriminating judgment and an ample capacity to perform the duties of the various and important trusts reposed in him by the community of which he was a member.

"In fulfilling the duties imposed upon him as President of The Philadelphia Saving Fund Society he entirely justified all the con-

*The United States Gazette, May 6, 1834.

fidence which placed him in that important and responsible office. Under his charge the business of the Institution has become more systematised and its administration has been extensively benefited by his devotion to its concerns and by the application to them of his informed mind and business talents.

"The intercourse between Mr. Lowber and the Board of Managers, between him and those who have also been associated with him in the activities of the Society, has always been that of harmony and increasing estimation.

"Thus established in the regard and estimation of us all the bereavement by which he has been separated from us will be always remembered and always deeply deplored."

Like Mr. Richard Peters, Jr., Mr. Lowber deserves special mention for his valuable legal services gratuitously rendered to the Society as asked for.

Mr. Lowber's successor in office was Clement C. Biddle, who was elected on June 11, 1834. He was one of the four founders of the Society and also one of the incorporators under the Act of February 25, 1819. He brought to the administration of his office an intimate knowledge of the affairs of the Society and executive ability of a high order. His term of office lasted for more than twenty years and took the Society through the trying periods of the panic of 1837, "wild cat banking," depreciated currency, reckless speculation and general demoralization of business. This portion of the Society's history as recorded in the chapter on Deposits and Investments, gives some idea of the fluctuations in the values of securities and of the skilful hand that was required to guide its course through the besetting circumstances of the times. Indeed no account of any administration of the Society is complete without reference to that chapter for contemporaneous information of its business.

It was during Mr. Biddle's administration the Society bought the lot No. 68 (now 306) Walnut Street and on it erected its first Office Building.

Mr. Biddle died August 21, 1855, in the seventy first year of his age. The Public Ledger of the following day contained a tribute to his talents and irreproachable life and referred to his services in 1814 when the State Fencibles, of which he was Captain, together with other volunteers from Philadelphia, was formed into



Clement C. Biddle
Fourth President

The First Pennsylvania Volunteer Infantry and was enrolled into the service of the United States with him as Colonel. "He excelled as a disciplinarian and a soldier and his regiment was highly spoken of for its efficiency and training."

Mr. Biddle was an ardent student of political economy. He was firmly convinced of the beneficence of the Society and had a strong faith in its future.

In his annual message of January 4, 1836, he said:

"In conclusion, the President lays before the Board an accurate statement of the names, locations and capital, as published, of the several Institutions for Savings in the City and Liberties of Philadelphia, which have gone into operation during the last year. He has also included with these, to complete the list, the Northern Liberties, Kensington & Spring Garden Saving Fund Society, incorporated in 1833, and the Philadelphia Savings Institution, incorporated in 1835, which however went into operation during the year 1834. These new companies the Board will have remarked from the foregoing report of the situation of this Institution, have neither diminished the number nor amount of our deposits."

The list is as follows:

Name	*Capital*	*Locality*
"1. Philadelphia Savings Institution	$200,000	No. 74 Walnut St.
2. Girard Beneficial Association and Savings Institution	300,000	" 32 North 2nd St.
3. Central Savings Association	150,000	" 74 South 3rd
4. Western Savings Institution	250,000	398 Market St.
5. Broad Street Savings Institution	250,000	S. W. Cor. Broad & Vine
6. Philadelphia City Savings Institution	200,000	No. 91 North 2nd
7. Philadelphia Loan Comp'y & Savings Institution	250,000	No. 45 Walnut St.
8. Schuylkill Savings Institution of Philada	150,000	Walnut near Beach
9. Divitial Institution of North America & Six per cent. Savings Bank	50,000	No. 110 North 10th St.
10. Kensington Savings Institution	150,000	Beech St. opposite Market
11. Northern Liberties Savings Institution	300,000	No. 408 North 2nd St.
12. Penn Township Saving Institution	250,000	" 210 North 6th
13. Southern Savings Institution	150,000	" South 2nd
14. The Manufac. & Mechanics Beneficial Savings Institution of Northern Liberties	250,000	" 366 North 2nd St.
15. Mechanics and Tradesmans Loan Company & Savings Institution	500,000	" 18 South 6th St.
The Northern Liberties, Kensington and Spring Garden Saving Fund Society, chartered April 8, 1833	500,000	North 3rd St. near Green"

Not one of those mentioned is in existence to-day.

In his annual report in January 1840 Mr. Biddle made a digression to deliver a homily on the leading principles upon which in his opinion Savings Banks ought to be founded, and the advantages, when properly conducted, society must derive from them. It was written when this the oldest Savings Bank in the Country was not yet twenty-five years old, and while most of it is now very familiar to those who have given thought to the subject, still, it is interesting historically as showing how carefully the basic idea of the legitimate Savings Bank was kept in mind, and this, after all, is the real explanation of the success of those that have been successful. The strictures on those institutions which were exploited in the name of Savings Banks for private gain point a moral which, *mutatis mutandis*, is not without its application in these days. The indulgence of the reader is therefore asked for the following insertion:

"Savings Banks are, or always ought to be, founded on the principle of security, have increased in proportion as they have become more known, and by their utility amply repay the confidence reposed in them. If industry in general provides for the common incidents of life, Savings Banks tend to redouble the exertions of every one, by checking improvidence and intemperance and at the same moment that they provide against distress, they create new and additional powers and resources to increase the comforts and happiness of life.

"The earnings and savings of the industrious and frugal, which before the existence of these institutions had been hoarded up for years without circulation or profit, now became useful, and yielded to them, in the shape of interest, an advantageous return. Previous to their establishment industry and frugality had gone no further than to save, without looking to an increase by improvement; and at all times the savings of the industrious had been subjected to considerable risks from losses, peculations and self imprudence. In these respects, therefore, Savings Banks may be considered as having given a spur to industry, a security to property, and as having created by their operations and combinations, a new moral power of the first magnitude, by the simplest of all agents, and from which every man received his savings with interest, whenever he stood most in need of them.

"Before, however, dwelling upon the solid advantages which Savings Banks hold out to the public, and to the parties who make use of them, a marked line of separation must be drawn between these legitimate banks of deposit and investment and the more modern institutions, established professedly for the same excellent purposes, but which, nevertheless, do not confine their operations to the simple and secure investment of moneys received from depositors that they may when called upon be enabled to return their deposits with interest, but which moreover make use of their credit by the issue of a paper circulation in the discount of bills and notes, and the purchase of stocks and other hazardous securities, and thus by departing from the only proper business of Banks of Deposit and Investment become exposed to all the fluctuations, risks, and losses of Banks of Circulation. As these institutions of late have much multiplied in various parts of the United States, the suspensions, failures and bankruptcies of many of them have thrown discredit upon even the most prudent and best conducted Savings Banks, and, in some degree, have arrested and diminished their usefulness. Besides, the losses which depositors with these institutions have actually sustained, have awakened the alarms and suspicions of the ignorant and timid as to the solvency and solidity of the first established and only genuine Savings Banks, and time and experience will be required before depositors will be enabled properly to discriminate between the insecure institutions referred to, and those societies which were only founded for, and strictly confined themselves to, the secure investment of the money received from their depositors, and at the same time scrupulously abstain from the issues or allowance of credit of any kind, and derive no profit whatever from such improper dealings.

"It is, therefore, only Savings Banks, or Banks of Deposit and Investment, as they originally were established, and that do not also become Banks of Circulation and Credit, that will afford to the frugal and industrious classes that encouragement for bettering their condition, to which, before their organization, they were almost strangers. Such Savings Banks, and such only, offer a place of safe deposit for the earnings of the industrious, and hold the strongest inducements to persevering frugality, that they may

be enabled to provide for and guard against the great afflictions arising from poverty and distress. And where no such urgent demands are made upon their funds thus saved and secured by a steady perseverance in industry, prudence and economy, their deposits gradually accumulate, and however slow it may be in appearance become certain means of increased comforts and ultimate independence. Savings Banks, acting on the principles here laid down, have, too, been found from experience, to be established on the surest of all foundations, prudence and economy, without loss or without risk; and that while the exertions of industry are creating new funds, institutions like these of themselves are silently but powerfully forming a perpetual accumulating fund that will not only prevent much distress but also provide the means of dispensing great comforts and blessings. Amongst these advantages, besides the security of property already adverted to, is the facility of placing and recalling at pleasure the smallest sums, without risk, loss or delay; and a happy tendency of checking in a natural way many improvident acts, misplaced confidence, and idle dangerous projects and speculations, that hold out immoderate gains, which frequently end in great disappointment and in the most pressing distress. However prolific the power may be, the virtues of prudence and economy, though slow, are the surest guides to competence and independence. Banks for Savings, let me again repeat, which are strictly and entirely Banks of Deposit and Investment, have thus an influence in producing order, regularity and peaceable demeanor among all classes and conditions and of introducing and spreading among the least educated and refined those domestic habits and dispositions which always tend to augment human happiness and to improve the morals of Society. Such Savings Banks, and no others, place it in the power of every man by his own industry, prudence and economy to create and put at interest a new capital from past savings; and with their co-operation and the renewed exertions of his industry, will always guard him against the pressure of many evils and distresses that proceed from imprudence and even prodigality, and that under favorable circumstances and correct conduct, will command independence and respect. Whenever, too, the pride of independence is truly felt, the powers of industry soon will raise

a man above want; and if he will only diligently practise that good old wise maxim, which ought to be hung up in the workshop of every honest and industrious person, 'WASTE NOT, WANT NOT,' he will find it will be his best friend and surest support. Sweeter, how often has it been said, is the bread arising from the fruits of industry and economy than that derived from the hand of charity or public relief. A Savings Bank, properly conducted, is the poor and industrious man's best and surest friend. Savings Banks, such as were first founded, have called into secure employment much dead capital that had been lying without benefit to its individual owners; and amid all the distresses of the times, which have affected so many classes of Society, afforded material assistance to those who have been induced by them to adopt and pursue habits of economy. Industry, it must be repeated, creates capital, and whatever is saved leads to independence; for while the depositor continues steadily at his work, his former savings when once safely deposited, bear interest, and again thus become productive.

"The utility of Savings Banks that are not at the same time Banks of Circulation, both to their depositors and to the public, has now from sufficient experience been well established by the advantages they secure to industry and economy in promoting the comforts, elevating the condition and improving the morals of depositors who have reason to be grateful to their founders, when they have strictly adhered to the legitimate purposes of their formation. They have now been established long enough to fully prove some of their good effects. They serve the Country in the best of all possible ways by enabling every man to serve himself; they hold out encouragement to youth, comfort to middle life, and independence to old age, and perpetual opportunity to men to improve their condition from generation to generation."

He kept in touch with the Savings Bank movement abroad and incidently remarked at the January meeting 1847:

"Thirty years have elapsed since the organization of the Society, and it is no little satisfaction to your President to have been one of its founders; he regrets to add, the only one left in the present Board of Managers. It was, moreover, the first

Savings Bank established on this continent and contemporaneous with the London Provident Institution, the oldest and principal Bank for Savings in the British Metropolis opened on the 22d of July, 1816." He entertained very positive views on all matters of administration and was particularly insistent on the expediency of maintaining a liberal Contingent Fund and on not encroaching upon it by increasing the interest rate to depositors in order to meet the competition for deposits of other financial institutions. An interesting contrary view will be mentioned in the sketch of Mr. Waln.

The Public Ledger review just referred to closed with these words:

"His views on the domestic and industrial policy of this Country were those of an enlightened statesman, liberal and enlarged in their scope, clear in their conclusions, and based upon the surest principles of political science. His writings on this subject have contributed largely to make the science popular, and he frequently exercised his pen in correcting popular errors on questions of public policy connected with the finances of the Country and the subject of the tariff. His education was liberal, his knowledge extensive, his judgment sound, his intellect clear and acute, with a comprehensive capacity, which embraced the entire subject of investigation. Philadelphia sustains a loss in the death of such an enlightened and public spirited citizen."

As a mark of respect the Managers of this Society directed that the Board room be hung in mourning for six months and adopted a minute as follows:

"The Board of Managers have learned with profound regret the death of Col. C. C. Biddle who has presided over this Institution for more than twenty one years, and desire to have recorded their sense of the loss, which they, in common with their fellow citizens, have sustained.

"Distinguished by his extensive and intimate knowledge of the science of political economy, by his general attainments, by his practical good sense, by his high moral integrity, and his courteous and attractive manners, Col. Biddle merited and attained the respect and regard of every member of the Board.



John R. Neff
Fifth President

"To him, in a great measure, this Institution is indebted for the public confidence it has invariably enjoyed; his energy, caution, foresight and judgment have guided and guarded it in difficult and disastrous times, with entire success, and a large debt of gratitude was due to him for the skill, prudence and devotion he had shown in the discharge of his responsible duties. The Managers can now only repay this obligation by offering as a tribute to his memory this sincere and unanimous expression of the esteem and affection they always entertained for him, as their President and their friend."

At the August meeting 1854, more than a year before his death, on account of his ill health, Mr. Biddle had requested that Mr. John R. Neff should act as President "during the remainder of the summer" which was acceded to by the Board. Mr. Biddle returned for the October, November and December meetings 1854, and these were the last at which he was present; at subsequent meetings, in his absence, Mr. Neff was called to the chair.

At a special meeting, a day after Mr. Biddle's death, Mr. Neff was elected President pro tempore "with all the powers and authority, and subject to the performance of all the duties declared and provided for the office of President by the Charter and By-Laws of this Institution; the said powers and duties to terminate on the election of a President according to the provisions of the 2d Article of the Charter."

Mr. Neff was well qualified to fill the position as he had served on the Board thirty years taking a deep interest in the affairs of the Society and had been a member of the Committee of Investment for almost eighteen years. He was however in active business, which no doubt accounts for the fact that he held the position for only three months. His successor was Lewis Waln, who was elected on November 7, 1855, the Board passing a resolution of thanks to Mr. Neff "for his very valuable services as President pro tempore during the inability and illness, and since the death of the late President, and for the zeal, and deep interest, always manifested by him in promoting the prosperity of the Institution."

It has been said of him: "He shrank from taking public

positions, and avoided them whenever possible. He was however a director of the Bank of the United States in its best days, a Manager of The Philadelphia Saving Fund Society from April 5, 1824, until his death July 24, 1863; and a director in the Insurance Company of North America from 1841 to the time of his death. The Provident Society and other associations of Benevolence and Charity also engaged his care. To all of them he was a valuable and liberal friend.

"In the political life he served in the General Assembly for two terms, and was a member of the City Councils during the old times when the City of Philadelphia was bounded on the north by Vine Street and on the South by Cedar (now South) Street. He served as a member of the Councils Committee on the Girard Estates at the time when measures were taken to construct the college edifice. He died on the 24th of July, 1863, leaving behind him that most precious bequest of the Merchant—a good name and the reputation of a life marked by kindness, generosity and justice."*

Mr. Neff continued to serve on the Board until the time of his death. The following extract is taken from the minutes of the stated meeting of August 5, 1863:

"The President announced the death of Mr. John R. Neff who for nearly forty years had been a Manager of this Society, and who, during that long period, until the last few years of his life when he was unable from illness to attend to its duties, fulfilled them with the greatest regularity and faithfulness; as a member of the Committee of Investment his sound judgment and discretion were invaluable, and the Board take this method of expressing their great regret for his loss and appreciation of his services."

Mr. Waln had been a member of the Board for fifteen years, having been elected in 1840.

He had been a successful merchant for many years. He was a man of many interests; had been a director of the Philadelphia Board of Trade; a member of the American Philosophical Society; a director of the Library Company of Philadelphia and a trustee of the University of Pennsylvania.

*Makers of Philadelphia, p. 26.



Lewis Waln
Sixth President

His administration covered the panic of 1857 and the first two years and a half of the Civil War.

In his first annual report to the Board of January 7, 1856, he advocated the resumption of collateral loans which had been discontinued by resolution in January 1837 and recommended an increase of the interest rate to depositors. In relation to this second matter he said:

"The Managers will recollect that the late President of the Society, whose abilities and official experience give great weight to his opinions, in his reports of January, 1854 and 1855, expressed himself adversely to any increase of the rate of interest to depositors, whom he supposed to be mainly, if not solely, influenced in making their deposits, by considerations of security. In confirmation of his opinion he adverted to the reports of the Saving Banks of France, where, it appeared that reductions of the rates of interest from 5% to 4½% and from 4½% to 4% had been made without diminishing the amount of deposits. He also referred to the state of the Contingent Fund, as being below the ten per cent. surplus required by law in the State of New York, and by public opinion, for the security of the depositor.

"Since these reports were made a material change has however taken place in the position of this Society, the Surplus Fund then below ten per cent. now exceeds eleven per cent., the excess of deposits beyond payments, which had prevailed for several years, has been reversed and the year 1854 shows a deficiency of $58,087.90, the year 1855 a deficiency of $154,877.29. The experience of France cannot be taken as a safe guide while the minimum rate of interest paid there equals the ordinary rate of interest in that Country and is but two-thirds of the rate current in this City, and while all the Savings Banks in France are under a common head and common rates, while in this City we are in competition with societies of various degrees of responsibility paying with one exception higher rates of interest than is allowed by our Institution. Indeed the time appears to have arrived, when, to maintain the usefulness of the Society, it becomes necessary to offer new inducements to the frugal and provident of the community, and when a larger rate of interest

may be paid to depositors, without in any degree impairing their securities.

"Estimates, predicted upon the business of the past year are now submitted showing the results of payments of interest on deposits of 4½%, 4⅘% and 5% the apparent surplus under the first being $40,454.74; under the second $31,854.74 and under the last named rate $26,554.74. Of these several rates that of 4⅘% appears preferable as being of ready calculation by the calendar month; as approximating to, without assimilating with the rate generally paid, and as conforming strictly with the requisitions of the Charter.

"In view of the large and annually increasing Surplus Fund, of the claim of the depositors to the largest return on their deposits consistent with their perfect security, and of the intended usefulness of the Society which may be expected from an advanced rate, the President respectfully recommends that the rate of interest on deposits be fixed from the 1st inst. at 4⅘% per annum in lieu of the rate of 4% per annum heretofore paid."

At a special meeting, held a few days later, the Board received a report of a special committee on the recommendations of the President and passed a resolution increasing the rate of interest to depositors to 4⅘% per annum but ignored the subject of collateral loans which were not again authorized until January 1864.

The activities of his life and his reputation cannot be better summarized than in the minutes adopted after his death by respectively the Directors of the Library Company of Philadelphia and the Board of Managers of this Society. They are as follows:

LIBRARY COMPANY OF PHILADELPHIA

"The Secretary having announced that Mr. Lewis Waln one of the Directors of the Library Company had died since the last meeting of the Board, the following entry was ordered to be made on the minutes as a slight but sincere expression of the deep sorrow felt by his colleagues at the loss of one who has been so long associated with them and so active and prominent in all the affairs of the Company.

"Mr. Waln was elected a Director in 1836, succeeding his father, who had been in the Board from 1799 until the period of his death in that year. The father had thus been 37 and the son 27 years in the management of the Company.

"Mr. Waln took a deep interest in the Library. He was Chairman of the Committee on Finance and on the importation of foreign books, and was unusually punctual in the performance of all his duties. He devoted all the leisure allowed him by his business occupations to literary studies, and his mind was stored with information on all the topics of the day. His memory was exceedingly retentive—his taste and judgment excellent—his conversational powers unusually great; and the Directors will long recollect with melancholy pleasure the many agreeable hours which they passed together.

"He was truly loyal to his country, and had an unshaken confidence that it would rise from its present struggle a freer and more powerful nation than it had ever yet been.

"Mr. Waln stood very high in the estimation of the Community. He was a member of several of our most important institutions and had been for many years the President of the old Philadelphia Saving Fund.

"He died on Sunday, Dec. 20, 1863, in the 68th year of his age, having enjoyed the respect and regard of every member of the Board and he has left behind him a character remarkable for its purity, uprightness and integrity; and an example as a Christian and a gentleman worthy of all praise."

The Philadelphia Saving Fund Society

"Mr. Waln was the son of one of the most intelligent and prominent merchants of Philadelphia and early in life became engaged in the same pursuits. He was a member of the firm of Waln & Leaming for 34 years, one of the oldest and most respectable business houses of this City (having passed through all the changes of disturbed and disastrous times with unshaken credit), and left it when he became President of The Philadelphia Saving Fund Society. In 1840 he was elected a member of this Board, and his high and well earned reputation induced the

Managers in 1855, upon the death of Col. Biddle, to place him at the head of this Society.

"From that time Mr. Waln devoted himself to the discharge of his new and important duties, and fulfilled them with untiring industry and eminent ability. The condition of this Society, which has never been higher in the confidence of the public than it is now, is the best evidence of the fidelity and success of his administration.

"Theoretically and practically acquainted with all the monetary affairs of the Community, he was always able to act with promptness and decision, and although naturally relying on the correctness of his own opinions, he always listened with deference and respect to those of the gentlemen with whom he was associated. His intercourse with all of them was invariably marked with courtesy and kindness, and his death has caused regrets which will not be easily effaced.

"Mr. Waln was a man of remarkable business talents—he brought to the Chair of this Society the results of a long life of action and extensive labor, a highly cultivated mind, a sound judgment, admirable principles, unblemished integrity, and unswerving loyalty to his Country."

This minute was adopted December 22, 1863 and at the same meeting Caleb Cope was elected President pro tempore and at the following meeting January 4, 1864, was elected President.

Mr. Cope was born in Greensburg, Westmoreland County, Pa., in 1797 and came to Philadelphia in 1815 when just about 18 years of age. He lived with his two uncles, Israel and Jasper Cope, whom he subsequently succeeded in the mercantile business, associating others with him under the firm name of Caleb Cope & Co. The business was very successful until the panic of 1857, when it failed. Notwithstanding his failure he paid his creditors in full and retained an ample fortune for the time in which he lived. At the time of his election to the Presidency of the Society he was 66 years of age and brought to its affairs a well stored mind, balanced judgment and ripe experience which were invaluable at that critical period of the Country's history and of its financial institutions. He had been on the Board since 1841 and so was thoroughly familiar with the affairs of the Society. His



Caleb Cope
Seventh President

term as President extended from 1864 to 1888 and so far has been the longest of any President.

It was Mr. Cope who so strongly urged and brought to fruition the removal of the Office of the Society to the S. W. corner of Seventh and Walnut Streets. At the time of his death the building occupied the corner lot and the two lots to the West.

The Civil War, the panic of 1873 and the resumption of specie payments naturally occur to one's mind as the most striking features of the period of his service. When he became President the assets of the Society were in round figures $4,500,000 and at the time of his death approximately $30,000,000.

An interesting excerpt is here given from his annual report to the Board of January 1, 1877. He said:

"It is to be lamented that the failure of so many Savings Banks in New York has naturally created distrust in the public mind in regard to the whole number. Accordingly unfavorable reports have been circulated concerning the oldest and one of the most reliable of these institutions in that City. As the depositors of Savings Institutions are very mercurial, easily alarmed and often too ignorant to be influenced by argument, the managers of the best governed among them have resolved upon some modification of their system; they have come to the conclusion that the interest paid to depositors is too great to allow for a proper augmentation of their Contingent Fund at present, considering the high value of those securities which are mainly to be depended upon in case of a sudden demand. It is obvious that the slight difference in the rate of interest allowed and that received is well calculated to induce Savings Banks to invest in that class of securities that are not generally recognized to be the best and most available in an emergency.

"The sensitiveness of the community that exists on this subject from whatever cause, counsels the utmost caution in making investments, and the true policy of having recourse to ready and ample means in the hour of necessity. One of the advantages of Savings Institutions without capital stock is that they have no stockholders looking for large dividends, and that all the increments of the institutions, after paying unavoidable expenses, go to the benefit, solely, of the depositors.

"Within a few days the Governor of the Commonwealth called at this Office to obtain some particulars touching the benefits of such institutions, as our own, and I was pleased to hear him say, that he meant, in his next message to the Legislature, to repeat in the most emphatic language his known opposition to the so called Savings Banks that are founded on a joint stock basis.

"I have been greatly surprised to see from a printed list that there are 145 Savings institutions, many of them having banking privileges, in this State."

In referring to the same subject a year later he reminds us that a Postal Savings Bank was in contemplation more than thirty five years before its establishment by Congress:

"At the last annual meeting of the Board I referred to the fact that the failure of so many Savings Banks in New York had created distrust in the public mind in regard to many of the best governed institutions of the kind. Since then failures among these depositories of the small earnings of the industrious poor in many other localities have greatly intensified this feeling, and caused the wisest portion of the community to ponder the question of the reliability of the system, however well conducted the institutions were in general. Thus, it is proposed to ingraft upon the Post Office Department of the General Government a new system that will insure safety to the depositor, and enable the Government to enjoy the use of the deposits at a low rate of interest; however beneficial this system might operate in the interest of the depositor, its advantage to the Government is not so apparent: and it may well be doubted whether such an exercise of authority would be generally regarded as among its legitimate functions."

At various times Mr. Cope had been associated with the most important local institutions of his day. He was a director of the Bank of the United States from 1836 to 1842; was one of the early trustees of the Lehigh Coal & Navigation Company; a trustee of the Fire Association; a member of the Philadelphia Board of Trade; manager of the Pennsylvania Hospital; of the Institution for the Instruction of the Blind; a member of the Pennsylvania Historical Society, Franklin Institute, Mercantile

Library, Academy of Natural Sciences, Pennsylvania Museum and School of Industrial Art, the Fairmount Park Art Association and of other charitable, business and philanthropic institutions. An editorial in the the Public Ledger of May 14, 1888, summarized his career as follows:

"It is granted to but few men as it was to Caleb Cope, who died at his residence in this city on Saturday, the 12th instant, to live to an age so advanced. Mr. Cope was born in 1797, before the century, which is now well-nigh spent, began.

"He was already eighteen years old when Napoleon and Wellington were disputing the vantage of the ground at Waterloo. Washington was still living when he was born, and John Adams, the second President of the Republic, had just succeeded him as Chief Magistrate. Beginning with eight years after it went into operation, his life ran side by side with that of his Country's Constitution. He was contemporaneous with all its wars except that which gave it birth. He was the friend of its great statesmen from Jefferson to Lincoln and onward. He was the last survivor of that committee of twenty-four eminent citizens of Philadelphia who were sent to Washington to petition President Jackson to extend the charter of the United States Bank, and of the directors of that institution, as well as of all the managers of the Philadelphia Academy of the Fine Arts, and The Philadelphia Saving Fund Society, who originally served with him. He was older than the greatest inventions of his age, as the steam engine, the steam printing press, the cotton gin, the telegraph, the sewing machine, or the sower and reaper. To the last of his long life his mental faculties were unimpaired, and until within a few months of his decease he was, as President of the Saving Fund Society, regularly at his post of duty.

"Of him it may be truly said that, in dying, he had all that 'which should accompany old age, as honor, love, obedience troops of friends.' There has been of late much inquiry made of those who are called successful men, in repsect of the cause of their success. In Caleb Cope there might have been found not only the truly successful man, but the cause of his success. The richest man of all is not always the most successful man. There are other things better than money—things which bring white

hairs to a quiet, revered grave—and he possessed them. He once had great riches, or which were thought so in that day of modest fortunes, which through the errors of others, he lost, but in losing them he lost no love, nor respect, nor confidence as they melted away. He had that which is the best fortune of all—character. His whole life was builded upon that sure foundation, and to the last, in the thoughts and affections of men, the structure was unimpaired in strength and beauty.

"Whatever wealth subsequently came to Mr. Cope, came to him through what was known to be his unconquerable integrity. He was a great merchant, a financier, a man of affairs; but there never was a day in his life when his simple word was not better than his bond; for it was felt that though in the vicissitudes of life untoward circumstances might weaken the one, nothing could destroy nor injure the value of the other. Mr. Cope's influence upon his time and the community in which he lived was most potential in indirectly urging public opinion to aid causes and institutions which need aid; his efforts in behalf of them awakened impulses which set thought in motion and became guides and helpers in the formation of opinion.

"The continuously extended usefulness of that great charity, the Saving Fund Society, of which for nearly a quarter of a century he was the responsible chief officer, was largely due to his wise and devoted service. Mr. Cope was an especially public-spirited man, a practical philanthropist and patriot. He demonstrated those nobly distinguishing characteristics in times of peace in the invaluable assistance he continuously gave to prominent institutions of charity, in his office of manager or director, and to such elevating and refining studies as the Fine Arts and Horticulture; he proved his patriotism by the courage and alacrity which he displayed in the early days of the war by giving the Government in its then time of great need the pecuniary assistance it needed; in his activity in every effort made to sustain its credit in the market and its prestige in the field; in his tender care for the soldiers.

"Mr. Cope was a gentle-natured man of noble impulses, benevolence, piety. His sense of honor made him just, his humanity made him charitable, his faith made him wise. It is commanded

that of the dead we shall speak no evil; here the command is without meaning; of Caleb Cope no ill could be spoken living or dead, as the daily beauty of his long, pure, simple and good life would confute all evil before it could be uttered. The example of the life of one such man being known of men is more helpful to the wayfarer than many sermons."

The minute of the Board of Managers did not attempt a sketch of his life but simply to briefly record his work for the Society and to express their sorrow at his taking away. It is here given:

"In the ninety first year of a life of continued useful service to the community our loved and venerable President Caleb Cope has been taken from us full of years and full of honors to enter into that rest which knows no sorrow and where mourning is unknown. Mr. Cope was born on the Eighteenth of July 1797, was elected a Manager of this Corporation on the Thirteenth of February 1841, was elected President pro tempore December 22, 1863, and was elected permanent President January 4, 1864. He thus has served this Corporation for 47 years 2 months 29 days and has been its leading financial Governor for 24 years 4 months 8 days.

"It is not the purpose of this brief minute to enter into an eulogium of one whose gentle tender temperament has socially endeared him to all hearts, which united with a decision and readiness of purpose and action, alike in prosperity and adversity, never faltered nor wavered from the course to which truth and honor pointed. We have known him in storm and sunshine, always with the same generous placidity of manner, coolness of judgment, and steady perseverance, to which we know no parallel: and as in worldly affairs he has, with justice and fearlessness for his guide, triumphed over all of earth's corruption, we can, with sorrow that we shall see him no more among us, feel assured that his parting from earth is but to pass to joys which earth cannot afford.

'INTEGER VITÆ SCELERISQUE PURUS.'"

In view of Mr. Cope's advanced age and about a year and a half before his death, Pemberton Sydney Hutchinson had been elected Vice President of the Society and on July 5, 1888, was

elected its President. At this time Mr. Hutchinson had been a member of the Board for more than ten years: he was President for a little less than fifteen years.

Upon the occasion of his death a minute was adopted by the Board which had been prepared by one who had been associated with him in the management of the Society's affairs throughout the whole term of Mr. Hutchinson's relation to the Society as Manager and Officer, which in a few words so well sketched his life and portrayed his characteristics and his connection with the Society that any further account in this place is unnecessary, and it is therefore given here in full:

"Pemberton Sydney Hutchinson, who died June 26, 1903, was the eighth President of this Society. Appointed a Manager February 16, 1878, in which position his father I. Pemberton Hutchinson had preceded him, he was elected its Vice President December 1, 1886, and President July 5, 1888.

"Born to the inheritance of the best social and civic traditions, for his father who was Consul at Lisbon, Portugal, returned to his native City when the son was but a child, after school days at Mr. Skinners in New Haven, Connecticut, and Dr. Lyons near Philadelphia, which he was often fond of recalling, he entered the freshman class in the University of Pennsylvania in 1854, but shortly after changing his plans was placed by his father with the firm of Waln, Leaming & Co. dry goods Commission Merchants, and January 1, 1858, began business in his own name.

"The firm name was changed the July following to Shipley, Hazard & Hutchinson, and when Mr. Shipley withdrew July 18, 1864, to Hazard & Hutchinson, and again to his own name upon Mr. Hazard's withdrawal in September 1867 until July 1, 1875, when as P. S. Hutchinson & Co., the firm continued until the present time.

"It was into this busy career that he broke in 1862, to volunteer in the First Gray Reserves Regiment Pennsylvania Militia of the Civil War.

"Although primarily a merchant, his energetic character, tastes and training, led him early to take a lively interest in the representative financial institutions of this City, in some of which his father had shown him the way. Accordingly he was soon called



Pemberton S. Hutchinson
Eighth President

to many Boards. He was first elected a director of the Farmers & Mechanics National Bank November 16, 1863, and on June 20, 1866, of the Westmoreland Coal Company; on November 21, 1877, a director of the Philadelphia Contributionship, becoming its Chairman January 19, 1900; on May 1, 1882, he was elected a director of the American Fire Insurance Company; on April 16, 1894, of the Girard Trust Company and on October 21, 1896, of the North Pennsylvania R. R. Company.

"In all these corporations he was invariably the dependable member, to whom was given the laboring oar, as being the one ready to fulfil every obligation and always willing to take more than his share of the burden.

"Social in the warp and woof of his nature, he manifested this characteristic, everywhere and at all times: his friendly traits appearing to all with whom he came in contact, and no one of his generation was more conspicuously the representative of Philadelphia's social life than he.

"From these sources sprang a large and varied acquaintance, a host of friends, and a broad knowledge of human nature that did him good stead.

"Endowed with a retentive memory, he was a storehouse of information both as to persons and places, manners and customs in the business and social life of this City in the century but just now closed. These qualifications fitted him in no ordinary degree to fill the office as the head of this Society.

"It was a cardinal point with him to be easily accessible to all the large number of depositors, especially the lowly and the diffident, and to afford them the information needed, or grant their requests if at all possible, and the geniality with which he met them and the sympathy he manifested for their interests, won their confidence as well as set a high standard for those under him in office.

"He felt keenly the responsibility of the Society's mission, and in and out of season urged the conservatism that should dominate its policy and prescribe the safe character of its investments.

"So that it was with a laudable pride that he saw in the seventeen years of his administration of its affairs, the Society's deposits and its depositors almost treble in amount and number.

"His judgment of men and measures was marked by a rare good sense, and he had a genius for reading character, so that with his frank and affectionate nature, when once his confidence was obtained, his trust was implicit and his reliance absolute.

"Faithful to duty, safe in counsel, steadfast in friendship, brave and patient in his last long illness, time will not soon efface his memory among his associates at this Board."

Mr. Hutchinson had been in failing health for some months prior to his death which induced the Board to deem it prudent to fill the office of Vice President which had been vacant since 1888 when Mr. Hutchinson was elected President. At the meeting of March 5, 1902, therefore, G. Colesberry Purves was elected Vice President and on August 1, 1903, was elected President to succeed Mr. Hutchinson. He is the present incumbent. A son of William Purves, the former Secretary and Treasurer and Vice President, of whom a sketch will be found in this chapter, Mr. Purves came to the office of President thoroughly versed in the Society's affairs and familiar with its aims and traditions after nineteen years of experience as respectively Assistant Secretary and Treasurer, Secretary and Treasurer, and Vice President. His connection with the Society began in 1884 as the first Assistant Treasurer and Assistant Secretary and added to his father's association with the Society constitutes an unbroken term of service of more than sixty seven years.

A contemporary in office with Mr. Bayard and Mr. Hale was George Billington, the first Secretary and Treasurer of the Society, who was elected on November 29, 1816 "at a compensation of Two hundred and fifty Dollars per annum and the use of his office." We have seen that the Society began business in his office on the West side of Sixth street and accompanied him when he moved across the street to the corner of Minor Street.

On March 22, 1819, in the re-organization under the Charter, Mr. Billington was again elected Treasurer and requested to act as Secretary to the Board. A few months later he was authorized "to procure a chest for the purpose of keeping the books of the Society for their preservation." On account of his legal attainments a by-law was adopted, April 6, 1821, requiring him to "make out a brief or statement of the title to the estate of every



G. Colesberry Purves
Ninth President

one to whom the Society shall loan any part of its funds on mortgage, which brief shall be registered in a book to be kept for the purpose."

Mr. Billington has been classed in a list of the Officers made out many years ago with Mr. Peters and Mr. Lowber as a "voluntary Solicitor." This is hardly accurate as he was a paid officer of the Institution no doubt chosen in part on account of his legal education. The resolution of April 6, 1821, just referred to, shows that it had been the practice of the Board to avail themselves of his "legal attainments." This comment is not intended to detract from the great value of his services as an adviser but simply to accurarely define his status.

On April 19, 1825, a report of a special committee on increasing the duties of the Secretary and Treasurer was adopted but the word Secretary was stricken out. A few days later, April 29, 1825, John C. Stocker resigned from the Board and was elected Secretary.*

To meet this change in organization by-laws were adopted on June 17, 1825 one of which set out in full the Secretary's duties and provided inter alia that he should "annually, at the first meeting in January, exhibit a general report of the affairs of the Society, its operations during the past year, and such statement of its condition and concerns as he may deem useful and interesting, and may contribute to the purposes for which it was formed and to its prosperity." His term of office was brief as he resigned on September 20, 1826, having left however a valuable contribution to the literature of Savings Banks in his first and only annual report of February 7, 1826, which is set out at length in the minutes and has been freely quoted from in this history.

Almost two months later the Board adopted the best set of by-laws that they had yet had, under which the offices of Secretary and Treasurer were again united in the same person and the duties of this officer clearly defined at length but the requirement of an annual report was omitted. It is reasonable to presume that the one already referred to was, on account of its scope and length, deemed to be sufficient for a term of years as such a

*In connection with this matter see legal opinions cited on p. 90.

requirement was not again demanded of any officer until after the amendment to the Charter in 1833 when the duty was imposed upon the President. It is only fair to Mr. Stocker to say that his one annual report was made the basis of other reports later in the Society's history.

Under these by-laws Mr. Billington again became Secretary and Treasurer and at the meeting of their adoption George Greiner was elected as the first Accountant of the Society.

Mr. Billington remained with the Society until his death and gave to its affairs in its early days a careful attention and faithful service which deserve to be remembered. On April 1, 1835, the President announced his death as having occurred on March the 6th preceding, whereupon the Board adopted a minute which reads:

"Associated as Mr. Billington has been with this Institution, holding from its first establishment to the day of his death the offices of Treasurer and Secretary,* and having performed all his official duties with perfect integrity, this event is deeply felt by the Managers. It is due to the fidelity of their officer to record their sense of his merits and to inscribe on the minutes of the Board this testimony of their estimate of the character and conduct of the deceased."

At the next stated meeting George Greiner was elected Treasurer and Secretary. The story of Mr. Greiner's connection with the Society is briefly told in the minutes of November 7, 1849, from which the following is transcribed:

"The President announced to the Managers that since the last Stated Meeting of the Board, namely, on Tuesday afternoon, the 16th of October, 1849, Mr. George Greiner, late Treasurer and Secretary of the Society, died. The President stated that Mr. Greiner had been in the service of The Philadelphia Saving Fund Society for nearly twenty three years; having been first unanimously elected Accomptant on the 13th of November, 1826, and on the decease of the late George Billington on the 6th of March, 1835, also unanimously elected in his place on the 6th of May 1835 Treasurer and Secretary. In these relations with the Society, from the commencement of his duties as Accomptant to the

*Barring the brief incumbency of Mr. Stocker as Secretary.



George Billington
First Secretary and Treasurer

termination of them by his decease as Treasurer and Secretary, Mr. Greiner uniformly discharged these important offices with ability, steadiness, and fidelity; and, at the same time, from his kind feelings, consideration, and discretion, gained the respect and esteem of all who were brought into business connections with him. Mr. Greiner won for himself the entire confidence and regard of the President, with whom he was daily associated for so many years in the labours and responsibitities of their respective trusts; he will, therefore, ever feel the heavy loss he has sustained by the decease of so valuable an officer."

The Board then passed a resolution of sincere regret on account of his death and appreciation of his services.

On the 5th day of December 1849 William Purves was selected out of seventeen applicants for the position and elected by the Board to succeed Mr. Greiner as Treasurer and Secretary. That he brought to the administration of his duties a high order of efficiency we gather from the annual report of the President in January 1851 in which he said:

"The Treasurer and Secretary Mr. Purves has now been upwards of one year in the service of the Society, having been elected by the Managers on the 5th of December 1849. It would be quite impossible for the President to speak too highly of the character of the services rendered to the Society by Mr. Purves since he has been engaged with the duties of his appointment. Not only the details of his own peculiar department have by him been brought into the most perfect order and system but by his vigilant general supervision the business of the Office has been conducted with improved method and regularity." This tribute to the improvement of methods introduced by Mr. Purves was of almost annual recurrence in the reports to the Board of President Biddle and his successors.

At the July stated meeting 1884 a special committee reported in favor of the appointment of an Assistant Treasurer "in view of the increasing business of the Society." In accordance with this suggestion at the October meeting 1884 a By-Law was adopted providing for the apointment of a Vice President, a Secretary, and a Treasurer, all three of the offices to be held at the discretion of the Board by one person; an Assistant Secretary and an Assistant

Treasurer. The object of this By-Law was evidently to relieve Mr. Cope, who was then in his 87th year, from the active responsibilities of his office and to provide Mr. Purves with an assistant to relieve him in turn from the multifarious details with which he had been engaged for so many years. Accordingly at the November meeting William Purves was elected the first Vice President of the Society still retaining the offices of Treasurer and Secretary, and at the following meeting his son G. Colesberry Purves was elected Assistant Treasurer and Assistant Secretary. The designs of the Managers however were frustrated by William Purves's failing health which became so pronounced that at a special meeting in October 1886 the Board found it necessary to vacate the office of Vice President by a resolution reciting his enforced abstention for some months from the performance of the arduous duties of his offices; his long and faithful service to the Society; the improbability of his being able to resume his duties and the imperative and immediate necessity for having some one perform them. It was a difficult position for the Board. The President was eighty eight years of age and the Vice President, Treasurer and Secretary incapacitated by ill health, which in the language of the resolution, just referred to, rendered it unwise in the opinion of Mr. Purves's physician to broach to him the subject of his resignation. Under these resolutions he was immediately appointed honorary Vice President and so it came about that at the next annual meeting it fell to the lot of the venerable President in the following words to announce that "near the close of the year a great bereavement was experienced in the death of Mr. Purves our Treasurer and Vice President. He had for near two score years faithfully discharged his official duties with eminent advantage to the Society and acknowledged acceptance to those who had business with the Office. The minutes record the proceedings of the Board on the occasion of our valued friend's departure from this life."

The minute adopted at the November meeting 1886 was presented by a member of the Board, as follows:

"It is with unfeigned sorrow that I feel called upon to announce to you the death of our beloved friend the distinguished Treasurer and Vice President of this Institution. Mr. Purves was elected Treasurer on the fifth day of December 1849 and died on the



George Greiner
Second Treasurer and Third Secretary

twenty eighth day of October just past aged 76 years. When chosen he was selected out of seventeen applicants for the position, and upon the eleventh ballot received 16 out of 23 votes cast in the election. At that time the increments of the Office only amounted to about two millions of dollars and the number of depositors to only a few over 10,000. We may well say that the Institution has grown to colossal proportions, since the vault contains many millions of dollars and the depositors now number considerably more that a hundred thousand. With the growth of the Society its responsibilities have increased in a corresponding degree, and in the long period of 37 years during which Mr. Purves has had control of its financial means, the business of his department has been managed with consummate skill and success: he laboured with zeal to strengthen the assailed point, when a formidable run was made on the Office, and at its close the resources of the Institution remained intact.

"Mr. Purves was peculiarly fitted by nature and education for the position he occupied. He was calm in turmoil and excitement never losing his balance and ready at all times to meet with composure every case that presented itself for consideration. His amiable temper and gentle disposition led him to give a ready ear to every person however humble who appealed to him for a hearing. He was always courteous to the high and the lowly, especially listening with patience to those who are habitually suspicious about the safety of their money when it is out of their sight and placed temporarily beyond their immediate control. When however a party approached him inspired by aims of negotiation he was ever on the watch and no man gained an advantage over him.

"Mr. Purves became very popular in the discharge of his duties and much of the reputation enjoyed by the Society is due to the confidence reposed in him as a fiducial officer.

"The high character entertained of Mr. Purves in this community naturally influenced many of those in authority to invite him into other organizations and accordingly he became interested in many of the religious and benevolent institutions of the day. In these he was eminently useful. Indeed in every trust he assumed, and in all the relations of life, he was an example to be followed by his fellow men.

"It is to be regretted that inasmuch as Mr. Purves felt a warm interest in enlarging the accommodations of the Office he was not permitted to see it on the completion of its improvement. On the 12th of June he was for a short time in the building but feeling unwell he went home and was unable to return again to the Office. From the time mentioned he gradually declined in health and finally free from acute pain sank to his perpetual rest."

As heretofore related Pemberton S. Hutchinson succeeded William Purves as Vice President and G. Colesberry Purves was then elected Treasurer and Secretary. We have already mentioned his election as Vice President and subsequently as President, a position he has held for upwards of thirteen years.

At the meeting of March 5, 1902, James M. Willcox was elected Secretary and Treasurer and on August 1, 1903, was also elected Vice President, in both instances succeeding G. Colesberry Purves. On May 7, 1902, Oliver P. Cornman was elected Assistant Treasurer and Samuel Woodward Assistant Secretary. On January 4, 1904 Mr. Woodward was elected Secretary and Treasurer and Alvin S. Fenimore Assistant Secretary. On December 9, 1905, the Assistant Treasurer, Oliver P. Cornman, died after a long and faithful service of more than a quarter of a century and at the January meeting 1906 Thomas J. Beck was elected in his place as Assistant Treasurer.

This brings the administrative Officers down to the present time as the last one mentioned in relation to each office is the present incumbent.

The history of the Society would not be complete without some reference to its large and efficient force. At the outbreak of the Civil War five clerks were sufficient for its business while to-day the roster numbers seventy-five under a Comptroller who are kept fully occupied with the many details relating, in round figures, to 293,000 open accounts and depositors of many nationalities. With rare exceptions the work of the clerical force has been characterized by marked fidelity to the Society. Perhaps the most noticeable feature in their work is flexibility as with the exception of the tellers the greater part of the force is used interchangeably in the different departments. This has been occasioned by the immense amount of detail incident to the number of depositors and by the



William Purves

The First Vice President, Third Treasurer & Fourth Secretary

imperative necessity of disposing of large numbers with as little delay and congestion as possible. The Comptroller and the heads of the departments have without exception been in the service of the Society for many years and by their familiarity with the growth of the work and their deep seated interest in the Society's welfare have set a high mark of industry, loyalty and efficiency which has deserved well of the Society and will be durable in its effects, furnishing an incentive to those who in course of time will succeed to the higher positions.

Among its members the force includes a worthy representative of the Founder, Condy Raguet, in a great-great nephew* who naturally feels a just pride in the family association with the Society.

A list of all the members of the force from the beginning who have been in the service of the Society for twenty years or more will be found at the end of the volume.

The growth of the Society's business and the time and labor required for the proper consideration of the many questions that frequently arose, some of them novel and the outgrowth of the peculiar business of a Savings Bank, impressed the Board with the necessity of having a duly appointed Solicitor. Mr. Peters and Mr. Lowber had been most helpful in the discharge of a Solicitor's duties. At the stated meeting in June 1828 a resolution was therefore passed "that it is expedient to appoint a Solicitor for whose services a compensation shall be allowed." Mr. Peters nominated Thomas I. Wharton who was unanimously elected at the next stated meeting. A committee was appointed to announce to him his election "and to inform him that the Board expect his attendance at each stated meeting of the Managers," a practice that was established by Mr. Wharton and has been maintained by his successors in office. It is probable that no better selection could have been made as Mr. Wharton was not only eminent in his profession but by the industrious application of his marked natural talents had acquired a liberal education which made him a most agreeable companion and valuable adviser. A graduate of the University of Pennsylvania and afterwards a student of law

* Mr. Bernardo de H. Stokes to whom the writer is indebted for interesting particulars of Condy Raguet.

in the office of his uncle, William Rawle, a lawyer of large practice, he was well equipped for his chosen profession in which he became chiefly distinguished as an authority on real estate law. He was one of a commission to codify the civil statutes of Pennsylvania and was the compiler of the first edition of Wharton's Digest and of the six volumes of Wharton's Reports. The annual reports of the President bear witness to his valuable services to the Society which were briefly and deservedly recited in a minute adopted by the Board April 12, 1856, upon the occasion of his death which had occurred a few days previously. The minute is here given:

"The Board have received with the deepest regret the announcement of the death of their Solicitor Thomas I. Wharton, Esq.

"The various and remarkable merits and acquirements of this gentleman, so generally and usefully known, will meet with appropriate notices from others who have been so fortunate as to have been honored by his friendship—and this Board take a melancholy pleasure in recording their high estimate of his talents and his character.

"Mr. Wharton has been for nearly twenty eight years the legal adviser of this Society. In addition to his other responsible duties he has examined and approved every investment they have made during that period on Real Securities, amounting to several hundred thousand dollars in each year; and so accurate and complete were his investigations, and so unerring his judgment, that in no one instance has a mistake or omission occurred. His whole course and conduct has left upon the minds of the Directors the conviction that as a profound and accomplished lawyer, an instructive and delightful companion and a noble and excellent man, he leaves few equals and scarcely a superior."

After the adoption of the foregoing minute the President submitted to the Board the names of seven gentlemen "who desired to be considered as candidates for the office of Solicitor of this Society." They were all men of distinction and some of them were among the acknowledged leaders of the Bar. Among them was Henry Wharton, a son of the deceased Solicitor, who was elected on May 12, 1856. Although only thirty years of age at this time Mr. Wharton was a worthy successor to his father.



Thomas J. Wharton
First Solicitor

While he died at the early age of fifty four years he lived to rise to eminence in his profession and even to be classed by those who knew him with the great men of his day and of the preceding generation.

The limits of these sketches, which must needs be confined to the work of the Society, necessarily proscribe any extended account of the persons to whom they refer, and even their relations to the Society which filled many hours and covered a long period of years can only be summarized in the most general terms. The work of a valuable officer of an institution lives as much in the inconspicuous services rendered from day to day and the methods which, carefully thought out, tend to develop its business in orderly and progressive growth as in the larger results occasionally accomplished under unusual conditions and in response to extraordinary demands. Of these last in Mr. Wharton's case perhaps the most noticeable was his vigorous and successful defence of the Society against the attack upon its unclaimed accounts and Contingent Fund which has been referred to in a previous chapter,* but in this connection it is interesting to quote some remarks of Mr. William Rawle, himself a leader of the Bar, at the time of the Bar meeting which was held to take action upon Mr. Wharton's death. Mr. Rawle said:

"Not many years ago an attempt was made upon what I may call the most eminently respectable institution in our city, The Philadelphia Saving Fund Society. Proceedings were commenced the object of which was to escheat all deposits remaining uncollected for more than a certain number of years. The result of this would have been to have given a certain amount to the Commonwealth, but also—and what was perhaps more to the purpose—an equal amount to the informers. After proceedings had been going on for some time, people began to ask what it all meant. The Managers of the Saving Fund became naturally anxious lest it should be noised about and the result be a run on the corporation, a result which would not have hurt the institution, for it could then, as now, stand any amount of run, but of which the real damage, apart from a possible local financial panic, would have been to the depositors themselves; for experience shows that when

*p. 53.

depositors thus draw out money which they have been gradually accumulating, instead of preserving it at home, it, generally speaking, somehow goes amiss. It was Mr. Wharton's fertility which suggested that these proceedings be stopped by injunction, and taking two colleagues, Mr. McMurtrie and myself, such an injunction was obtained, which, after elaborate, and I may say fierce argument, was sustained by the Supreme Court in Banc."

At that same meeting another speaker referring to the time of Mr. Wharton's appointment as the Society's Solicitor said:

"I remember, too, that when Mr. Thomas I. Wharton died and there was a desire that the son should succeed to the place his father occupied as the adviser of the Philadelphia Saving Fund, I, with other friends, went to see the gentlemen who were the trustees of that institution to press his merits upon them. I did so, as far as I could, with those with whom I was on terms of intimacy, and with some diffidence, because he was so young; but I found that there was no necessity for that, because men of the highest attainments at the Bar—and among others, if I am not mistaken, the present Chief Justice of this State—had spoken and written to the directors of that institution in the strongest terms as to their thorough confidence in the ability of the son to perform the duties which had been performed by his father. We all know how well he has performed them."

The minute adopted by the Board at the meeting of December 1, 1880, shortly after his death, gives some idea of the high estimate that was entertained of him for his services to the Society. It has especial value from the fact that it was presented by one who at the Bar meeting just mentioned feelingly referred to his intimate and constant professional and social knowledge of Mr. Wharton "commencing from the time he left school until the day of his death," and is as follows:

"The late Henry Wharton was elected Solicitor of the Saving Fund on the 12th of May, 1856, and died on the 11th November, 1880, completing a service with the Company of twenty four years and six months; he succeeded, as Solicitor, his distinguished father Thos. I. Wharton. The elder Mr. Wharton served twenty eight years. The father and son are the only persons who have filled the office, their joint tenure exceeded fifty two years. The minutes



Henry Wharton
Second Solicitor

show every member of the Board to have been present at the election of Mr. Henry Wharton. Mr. Cope, Mr. Robins, and Mr. Welsh are the only survivors. During the past twenty four years Mr. Wharton has proved a most efficient and accomplished officer, possessing knowledge equal to every demand upon it, and exhibiting a versatility and resource which have elicited our respect and admiration. In social life his charm of manner brightened the enjoyment derived from sharing the rich stores of his well furnished and suggestive mind.

"We are aware that Mr. Wharton enjoyed with the fraternity of the Bar the highest reputation as a scholar and a jurist. We know from personal intercourse that his general attainments were of the highest order. In the walks of science and literature he was alike at home: his disposition was amiable, his deportment unassuming, his integrity unwavering, his sense of honor high and delicate, his religious convictions deep and earnest. Admirable as he was he has passed away at the early age of fifty four years. We sorrowfully recognise the fact that there are few such men among us."

In selecting a successor to Mr. Wharton the Board maintained the same high standard which had been set in the two previous appointments.

At an adjourned meeting on January 7, 1881, George Tucker Bispham was elected Solicitor and held the position until the date of his death, July 28, 1906. Mr. Bispham's death is of such recent occurrence and his reputation in this community is so well established within the memory of many who are still alive that any reference to his legal attainments apart from their application to the affairs of the Society is almost unnecessary. His chief characteristics as adviser were carefulness, lucidity and a delicate sensibility which made him quick to appreciate the practical side of a proposition and discerning in devising means to legally accomplish the desired results. In expression he was concise and exact.

What has now become a commonplace in the passing of titles to real estate in all of our large cities came up before the Board for consideration immediately after Mr. Bispham's election as Solicitor, and the method of his dealing with the matter was char-

acteristic of his caution on the one hand and of his open mind on the other. The Real Estate Title Insurance Company of Philadelphia (now The Real Estate Title Insurance & Trust Company of Philadelphia), which was the first company anywhere to issue title insurance, and which had issued their first policy only a few years previously, had addressed a communication to the Society in December, 1880, setting forth the facilities and advantages which they were able to offer. It was referred to a special committee who with Mr. Bispham visited the office of the Title Company and reported at the following February meeting that they had received a "decidedly favorable impression" and that while not prepared to advise dispensing with the opinion of the Solicitor on the validity of titles, believed however that an arrangement could be made which would give the Society the advantage of the facilities and policies of the Title Company in addition to the Solicitor's opinion as it was expected that any arrangement made would be subject to his concurrence. On the recommendation of the committee the matter was referred to him and at the next meeting he reported that in his opinion "the Society should avail itself of the system of searches afforded by the Title Company, not to the exclusion of, but by way of supplement to, the usual searches by the Recorder of Deeds. In certain rare cases, also, it may be desirable that the Society should protect itself by policies of insurance from the Title Company. In view however of the fact that in the opinion of the Committee it is still desirable in all cases that the Society should have the benefit of the opinion of its own Solicitor, it is not in my judgment necessary that any permanent or general arrangement should be made with the Title Company. To do so might tend to create an impression among borrowers that the expenses of obtaining a loan would be increased and would therefore, to some extent, interfere with the applications which are made to the Society. The advantages of the Title Company however could be enjoyed in any particular case whenever, in the opinion of the Solicitor of the Society, it was desirable. I am informed that limited use of the facilities afforded by the Title Company is made by some Trust Companies in the City, and I am not informed that any general arrangement, such as was suggested by the letter of the Title Company, has been entered into



George Tucker Bispham
Third Solicitor

by any institution. I therefore recommend that no such general arrangement be made, but that the advisability of making any use of the Title Company be determined in each particular case as it arises."

It must be borne in mind that it was a new question at the time. The advantages of using such a company however soon became apparent and a few years later under the advice of the Solicitor the Board approved of accepting the titles of that company and of several other local companies.

The minute adopted by the Board on the occasion of his death was prepared by the present President of the Society, himself a lawyer, who for more than twenty years had been closely associated with him and had learned to appreciate his worth as the Society's legal adviser. No more compact and comprehensive statement of Mr. Bispham's qualifications has come to the writer's notice. It reads:

"George Tucker Bispham was the Solicitor of this Society for a little over twenty five years, having been elected to that position January 7, 1881.

"His predecessor, Henry Wharton, served twenty four years, succeeding his father, Thomas I. Wharton, who held it twenty eight years, the terms of the three Officers covering a period of over seventy five years.

"Mr. Bispham brought to the discharge of his duties here, as he did everywhere, an untiring industry, patient investigation and thorough knowledge of his profession, which almost from the first put him in the front rank.

"It was, however, especially in the branch of equity jurisprudence that he built for himself the name and fame that distinguished him and made him an authority, whether as practitioner in the Courts, teacher in the law school, or author of law books.

"The broad equitable principles with which his mind was stored, made him a peculiarly helpful adviser where technical obstacles presented themselves, while the matter proposed had merit: and he was fertile in suggesting ways and means for their removal.

"This characteristic made his advice as the law Officer of the Society pre-eminently satisfactory; to which was added a cordial

and prompt response to every demand for his service by his colleagues in office.

"The contrast between the amount of work he accomplished as pleader, lecturer and writer, and the frail physique through which it was wrought, commands at once our profound admiration and respect. While on the social side, his urbane and gentle manner made for him friends through all his busy life.

"A record such as his will not easily be forgotten."

At the October meeting 1906 J. Percy Keating was nominated to fill the vacancy caused by Mr. Bispham's death and at the next stated meeting was unanimously elected Solicitor. He had been a Manager of the Society for twelve years and on resigning from the Board preparatory to accepting the Solicitorship, which he still holds, relinquished a family representation on that body of the fourth generation in direct descent.



J. Percy Keating
Fourth Solicitor

VI

DEPOSITS AND INVESTMENTS

The functions of a Saving Fund are to receive money, repay it with interest and invest what is not repaid with the exception of so much as may be needed for current expenses, cash reserve, and to meet the ordinary demands of its depositors.

The subjects of deposits and investments are so intimately connected, especially in point of volume, that they should be, and in this history will be, considered together. There are however a few matters concerning each, un-interrelated, which will be dealt with separately before taking up the two subjects as one.

Twenty years ago a former President of the Bowery Savings Bank of New York said:

"While Savings Banks teach the poor lessons in thrift, they at the same time pay to the poor a premium for accepting the lessons."*

It is a true statement, well expressed but not sufficiently inclusive, as Savings Banks are not intended for the poor only but for all people of moderate means who wish to save, and for those who by reason of the smallness of their deposits or lack of education would not be desirable depositors in Trust companies or Commercial banks or would be unable to use the facilities afforded by those institutions.

The first depositor of this Society was Curtis Roberts and it is significant that he should have been introduced by Condy Raguet, who thus was instrumental in both founding the Society and in actually starting it in business. The original register not only refers to Mr. Raguet but gives Curtis Roberts' address as 308 Chestnut Street which a directory for the year 1816 shows was the residence of Mr. Raguet. Through the courtesy of the Land Title & Trust Company we are able to say that he owned the property from 1813 to 1818 and to identify it with the present 1106 Chestnut Street.

*History of Banking in all Nations. Vol. 2, p. 441

The directories of 1816 and 1818 to 1821 give only one Curtis Roberts who is described as a colored man, in 1816 as waiter and thereafter as laborer, with addresses 27 and 29 Union Street.

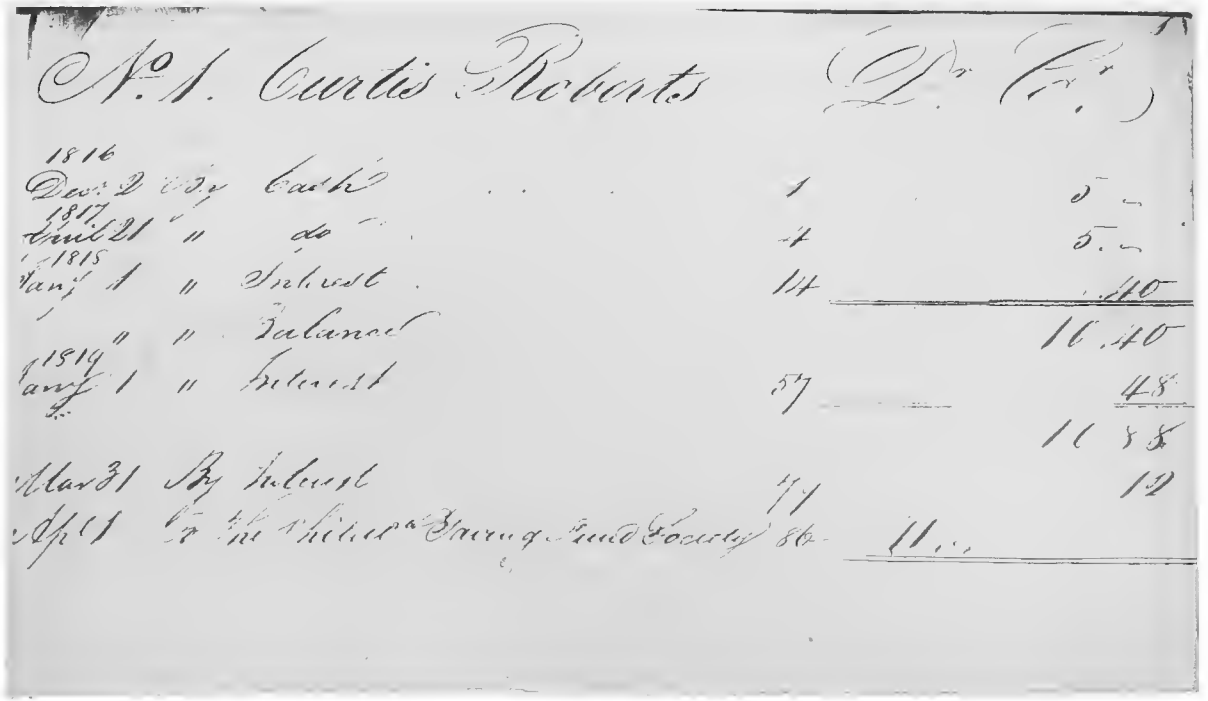
It is probable that he was the same as our depositor and the natural inference is that at the time of opening the account he was a domestic in Mr. Raguet's home.

The Articles of Association contained inter alia, one feature which, in so far as the writer of this sketch has been able to ascertain, was not founded on precedent and still exists as an original and practical exception to general rules. No. 14 provided that "A book shall be kept at the Office in which every depositor shall be at liberty to appoint some person or persons to whom, in event of his or her death, the money shall be paid, if not otherwise disposed of by will." This was subsequently incorporated into the Charter in the very same words and was approved by a decision of the Supreme Court rendered in 1879.* For many years depositors quite freely availed themselves of the right thus conferred, which however recently has been discontinued, as it was last exercised in 1899.

The Articles also provided that deposits and payments should be entered in the Society's books and also on a duplicate to be furnished to each depositor. From the very beginning this duplicate consisted of a pass book which was a departure from the foreign practices where the depositor was originally furnished with a deposit sheet. Speaking of the Edinburgh Bank Mr. Lewins says, "Each depositor was furnished, in making his deposit, with a duplicate of the leaf of the ledger in which his account was kept; on each succeeding visit he brought the duplicate with him, and each separate transaction was entered in the ledger and on the duplicate at the same time. This arrangement, as might have been expected, soon gave place to the more convenient bank book at present in use."†

At the October meeting 1820 a committee was appointed "to devise and have executed a vignette or other device to be impressed on the books of the depositors" and at the following January meeting the Treasurer was directed to pay "to the artist,

*Knorr's Appeal 8th Norris, p. 94
†History of Savings Banks, 1866, p. 41



No. 1. Curtis Roberts (L. Cy.)

1816 Dec. 2	By	Cash		1	5 —
1817 April 21	"	do		4	5 —
1815 Jan. 1	"	Interest		14	40
	"	"	Balance		16 40
1819 Jan. 1	"	Interest		57	48
					16 88
Mar. 31	By	Interest		71	12
Apl. 1	To	the Philad.a Insurg. Fund Society		86	11 —

Ledger Account No. 1

Mr. Gilbert, the sum of One Dollar and fifty cents for cutting the device."

The hours fixed by the Articles of Association for the benefit of depositors were on Mondays and Thursdays from nine to eleven A.M. These days were the only ones assigned for the purpose and remained so until 1865. The hours however were changed in June 1825 to from four to seven P.M. and since then, with the dates of changes, have been as follows:

May 1835, Mondays and Thursdays 9 A.M. to 1 P.M. and 3 P.M. to 7 P.M.;

April 1865, all business days 9 A.M. to 1 P.M. and 3 P.M. to 7 P.M.;

December 1869, Mondays and Thursdays 9 A.M. to 7 P.M. and other business days 9 A.M. to 3 P.M.

In 1891 the Legislature passed an act making all Saturdays from June the 15th to September the 15th in each year after 12 o'clock noon a half holiday, but permitting any bank by a vote of its directors to keep its doors open for the transaction of any business on such Saturday afternoons.*

On June 3, 1891, the Board passed a resolution authorizing the President and Finance Committee to take advantage of the permission of the act to keep open on Saturday afternoons if deemed expedient. On June 15, 1891, the Finance Committee passed a resolution to close in accordance with the act but as a matter of fact this was never done and the Office continued to remain open on Saturdays until 3 o'clock until May 1894 when it was closed on Saturdays at 1 o'clock. This was confirmed by action of the Board in December 1897 and lasted until November 1904 when the hours were changed to Mondays 9 A.M. to 7 P.M., Thursdays 9 A.M. to 5 P.M. and every other business day 9 A.M. to 3 P.M., except Saturday 9 A.M. to 12. The two weeks notice was also prescribed by the Articles of Association.

A by-law was adopted in 1821 providing that all payments to depositors should be made by cheques on the Commercial Bank of Pennsylvania. There is nothing to show why this was deemed necessary and such a rule would certainly be difficult to enforce in these days when many of the Society's depositors are

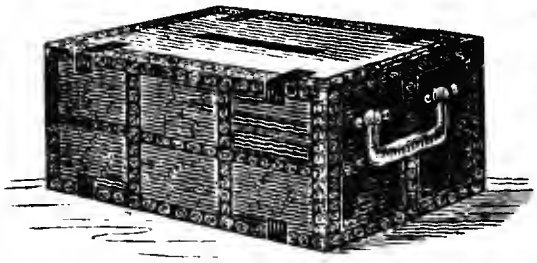
*P. L. 46

not able to write their names. In February 1826 the Secretary stated: "I beg leave to observe that the amount of business transacted during the hours of deposit and payment on Mondays and Thursdays has considerably increased. The customers of the Society either as depositors or drawers frequently amount to 100 and some times more in one day. When it is considered that every customer has necessarily to pass both Officers of the Society within a period of 180 minutes and that interruptions must frequently occur from incidental demands for information, books left for settlement, explanations, notice for withdrawal, etc., it is to be feared that the rapidity necessary to accomplish all this is not compatible with accuracy. Another, perhaps a greater evil, is undoubtedly experienced by the customers of the Society in the long detention from their business. The gentlemen who have attended as Committees of the Month are acquainted with these facts and will recollect the importunity of many persons transacting business, and who have been detained for a long time, to have their books passed and be permitted to depart." Our modern tellers with modern methods and facilities averaged about 2,000 transactions a day with depositors during the year 1915.

We have seen that on February 7, 1828, the Legislature amended the Charter by increasing the limit on aggregate deposits by $500,000 making the total $1,500,000, but at the same time limiting for the future annual individual deposits to $200. The report of a special committee made to the Board meeting of February 5, 1827, preceding this legislation, is typical of the attitude of the Society on the subject at the various times at which it came up, and as it was presented so early in the history of the Society and was the basis for the application to the Legislature which resulted as just stated, it is here given in full:

"That they have carefully examined the statement submitted to them, and attentively considered it with the view of arriving at a just and proper mode of reducing the gross amount of deposits, a measure which their progressive increase renders extremely desirable, if not absolutely necessary, in order to keep within the limits prescribed by our Charter. The Committee, however anxious they were to accomplish this object, found it impracticable

"TO SAVE, IS TO EARN."



"Economy secures Independence."

THE

PHILADELPHIA SAVING FUND SOCIETY,

INCORPORATED, FEBRUARY 25, A. D. 1819.

Open for Deposits and Payments, on Mondays and Thursdays, only, between the hours of 4 and 7, P. M.

OFFICE, AT No. 5, S. SIXTH STREET.

PRESIDENT, Andrew Bayard.

MANAGERS.

John Strawbridge,	Jacob S. Otto,
L. Krumbhaar,	Daniel B. Smith,
Turner Camac,	Thomas Hale,
A. Konigmacher,	Samuel Spackman,
R. Bache,	Richard Peters junr.
Samuel B. Morris,	Samuel Archer,
Clement C. Biddle,	Condy Raguet,
John Vaughan,	J. C. Stocker,
M. C. Ralston,	Reuben Haines,
C. N. Bancker,	Roberts Vaux,
J. J. Vanderkemp,	William Chaloner.

George Billington, *Secretary*, and *Treasurer*.

Cover design of Pass-book No. 69, 1819

consistently with the principles which have hitherto governed the Society and with the obligations which it has voluntarily assumed with respect to depositors.

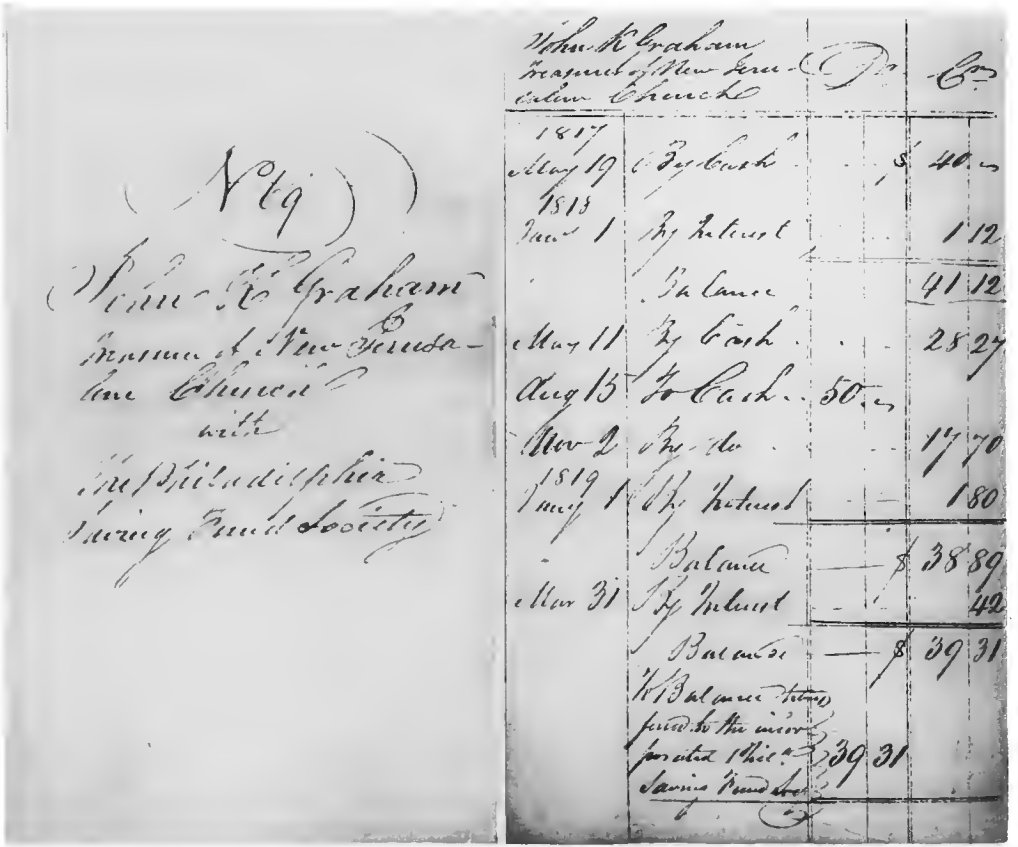
"The object of the Institution was to promote and encourage habits of industry and saving in the labouring classes by affording them, as well as the aged, the orphan and the minor a place of security for their earnings and savings where they would gradually accumulate by the allowance of a certain rate of interest. Having invited them to avail themselves of the benefits offered by our Institution and witnessing the happy effects produced by it, it would be equally unjust and unkind to compel them to forego these advantages, unless the rules of the Society as it regards the condition of deposits and the character of depositors had been transgressed. This the Committee is satisfied has not been the case. Of about four thousand depositors who appear as creditors on the books of the Society there are but 206 accounts which exceed five hundred dollars each: and of the 206 accounts only 29 which with the accumulated interest exceed one thousand dollars each, of whom 2 are porters, 3 bakers, 1 baker's wife, 1 umbrella maker's wife, 1 labourer, 2 farmers, 2 orphans, 2 taylors, 1 shoemaker, 2 milliners, 6 journeymen mechanics, 1 cooper, 1 servant, 1 barber, 1 ostler and 2 charitable societies. The Committee have consequently come to the conclusion that it would be inexpedient to reduce the total amount of deposits by giving notice to any class of depositors to withdraw their funds from the Institution, but at the same time they are fully sensible of the necessity of adopting suitable measures to effect the object in view. It appears that the total amount to the credit of depositors has reached the prescribed limits within about thirty thousand dollars notwithstanding the unremitted attention of the Committee of the Month and the Treasurer to exclude all applicants who were not strictly entitled to the enjoyment of the benefits of our Institution, and the exertions made to induce depositors whose accounts had reached their maximum, to withdraw their funds and invest them in the public stocks. By a strict adherence to the same rules, the Committee are of opinion that the society may safely continue its operations 'till the meeting of our Legislature next winter, and they respectfully recommend,

"1st That a Petition, simply stating facts, be presented to that honorable body, praying for an extension of our limited capital: and

"2nd that a committee be appointed to carry the preceding recommendation into effect."

One of the most perplexing problems for Savings Bank managers has always been the regulation of the forms in which accounts could be opened, so as to extend liberally the benefits of the system to those entitled to it while at the same time precluding its abuse by those who, on account of the security and the rate of interest offered, seek by various devices to evade the rules. The nature of Savings Banks, and from a pecuniary point of view the class of people whom they serve, seem necessarily to give rise to these questions. Just here it may be observed that from the time this Society opened for business, December 2, 1816, to the day when it continued business as a corporation, March 31, 1819, nearly every kind of an account known to the Society to-day, except corporation accounts, was opened on its books. There were 418 individual accounts; 115 by one person "for another person"; 21 trust accounts; 10 accounts as treasurer; 2 in two names; 2 in three names; 1 in four names; 2 by guardians; 1 by executor; 1 by administrator; 1 by two people as joint-tenants and one by a trustee for a married woman "for her sole and separate use." This last is the only one of the kind which the records of the Society disclose and one would naturally suspect that the trustee had been a lawyer: as a matter of fact it was William Tilghman one of the great Judges of the Commonwealth and at the time Chief Justice of the Supreme Court of the State. Another interesting and unique account in the same period was opened "Fanny from Bougie." It may not be generally known that Bougie is a city in Algeria which was noted for its manufacture of candles from which the French word for candle was taken. This lady did not sign her name but made a mark and evidently had no intention of hiding her light under a bushel. It is interesting to note here a remark made by the author of "Observations on Banks for Savings," written in 1816 and previously referred to.* In speaking of the classes to whom Savings Banks are of

*p. 28



(No 69)

John R. Graham
Treasurer of New Jerusalem Church
with
The Philadelphia Saving Fund Society

John R. Graham
Treasurer of New Jerusalem Church — Dr. — Cr.

1817 May 19	By Cash		$	40 —
1818 Jan 1	By Interest			1 12
	Balance			41 12
May 11	By Cash			28 27
Aug 15	To Cash	50 —		
Nov 2	By do			17 70
1819 Jan 1	By Interest			1 80
	Balance	—	$	38 89
May 31	By Interest			42
	Balance	—	$	39 31
	By Balance transferred to the credit for account of this Saving Fund Society	39 31		

Pass-book Account No. 69

especial benefit the author stated: "It is a trite observation that drunken men are generally the best workmen: no one however will believe that drunkenness can advance skill; the plain fact is, that such workmen earn a great deal more than is necessary for their ordinary maintenance, and not knowing how to dispose of the remainder they spend it in drunkenness and dissipation of the worst kind."

In 1828 a special committee had under consideration the vexatious question of the form, if any, in which unincorporated bodies might open accounts and on May the 6th made a brief report as follows: "That the trouble which is imposed on the Officers of the Society by the changes which frequently occur in such associations renders it inexpedient that they should be permitted to make deposits. In the case of incorporated societies such changes may be proved by an easy species of evidence, while in that of unincorporated associations it is difficult to prove them and almost impossible for this Institution to fortify itself with vouchers satisfactory." On the recommendation of the committee the Board adopted a resolution "that hereafter no deposits shall be received in the name of, or in trust for, unincorporated associations." The subject again was presented to the Board at the April stated meeting 1835 in the valuable committee report which has been previously referred to in another connection.* It covers the whole matter, and is just as applicable to-day as when it was made:

"Another inconvenience that may be mentioned in this connection has arisen from deposits by unincorporated societies. The rules of law upon this subject are sufficiently known. They subject the Officers of the Society to considerable labour and trouble, and the Society itself to some risk, in consequence of the insufficiency of the evidence furnished to show the authority of any particular persons to receive back the money deposited. The remedy for this has been suggested to be a refusal to receive any deposits from such societies or associations; and it appears from the minutes of this Institution that a resolution to this effect was adopted on the 6th of May 1828: though it is believed that deposits from such societies have since been received. It appears

*p. 92

to this Committee, however, that it would be better to guard against the inconveniences and dangers alluded to, rather than to forbid such deposits. Many of these societies have been established by poor persons, upon principles and with designs congenial with those of Saving Fund Societies, and deserve their aid and encouragement. By allowing them to deposit their funds in this Institution they are protected from the great danger of Friendly Societies, the fraud and insolvency of their Treasurers. It is proposed in Sec. 6 to provide that in all cases a trustee shall be named at the time of making the deposit; who alone shall have authority to receive the money on the production of the book. Whenever they may be desirous to change the trustee the society must apply to the Courts in the ordinary way. These provisions will protect this Institution from loss, if payment be made either to the trustee originally named or to such other person as may be appointed in his place by the Court. The society making any deposit, in the name of a trustee, may guard against any unauthorized receipt of the money on his part, by retaining possession of the book."

The present rule is that such accounts may be opened at the discretion of the President or Treasurer "but only in the name of some person 'in trust for' or as 'Treasurer of' such society or association." By the exercise of unusual precautions it has not been found necessary to "apply to the Courts" on any change of a trustee or treasurer.

Another source of difficulty has been the proper treatment of "trust accounts." At the December meeting 1833, on the recommendation of a special committee after consultation with the Solicitor, a resolution was adopted "that the practice of receiving deposits from one person 'by' another and from one person 'for' another shall be henceforth abolished and every deposit made by one person for the benefit of another shall be expressed as 'in trust' for such person." The matter involved not only a determination of the legal status of the parties to the account but also of the abuse to which such accounts are subject on the part of persons desiring to evade the rule by depositing more than the permitted amount. This second consideration was not confined to Savings Banks in this Country but had been a matter of some

concern in England and had been made a subject of legislation by limiting the amount of deposit, as in this Country, requiring the trustee at the time of deposit to state the names of the cestuis que trustent, and receipts to be signed by all the parties interested in the account. Quoting from Mr. Lewins: "Mr Pratt stated that in the course of his investigations in Ireland he had found one man who had had seventeen books out of one Savings Bank, and money to the extent of 520*l.* lodged there, altogether his own property, but which he represented himself as holding in trust."* With regard to both matters involved the rule of the Society to-day conforms to the resolution passed in 1833 and the practice is to make the trustee record the name of the beneficiary. The legal rights of the parties in such case have been settled by the Courts.†

At this same meeting the committee submitted the draft of an act "for the protection of the Society in relation to deposits made by married women and minors," and a committee was appointed to prepare a memorial to the Legislature asking for the passage of the act. No legislation on the subject was enacted at the time but in 1874 an act was passed permitting minors and married women to have accounts and to draw on them without the assent or approbation, and free from any interference of the parent, guardian or husband, as the case may be, or from attachment by the creditors of any husband of such married woman.‡

At the August meeting 1834 the Board rescinded the resolution passed May 7, 1821, requiring all payments to depositors to be made by cheques. It was a long time for such a practice to continue particularly as some of the accounts had been opened by marks. In similar cases, even to-day, when a timid teller is not quite satisfied with the answers to the identification data on record, he shows a disposition to give the applicant a cheque: an easy way of discharging one's responsibility by throwing it upon another who is not in a position to know as much about the depositor. Every bank is held to a reasonable knowledge of its own depositors.

In 1835 a question of bookkeeping came up for the consideration of the Board which for many years caused a good deal of

*History of Saving Banks, p. 125
†146 Pa. 49; 205 Pa. 321; 220 Pa. 235
‡P. L. 193

uncertainty, and no little apprehension, to the Officers; viz: an ascertainment of the exact amount due depositors by reconciling the subordinate ledgers with the general ledger, the former being constituted from postings from deposit slips and receipts and the latter from entries in the cash book. At the January meeting 1837 the President reported a discrepancy for the whole period of the Society's existence of nearly $1,500 which in 1851 he reported should have been stated as $10,000, and which added to further discrepancies that had since occurred made a total difference of upwards of $18,000. It was therefore resolved to charge Contingent Fund and credit General Deposit Account with the amount and that the balances of the subordinate ledgers should be taken off at the expiration of every three years. This however did not settle the matter. On April 2, 1856, the President reported that an examination of the books for another purpose had incidentally disclosed some accounts that had long since been settled in full and by mistake had been carried on the books and annually credited with interest. At his suggestion therefore the Board appointed an expert accountant to go into the matter, whose report was submitted in September 1856. It covered the whole period of the Society's existence down to 1845 and showed a difference of over $19,000 all in relation to 71 accounts which appeared to be open on the books but which had been paid in full as appeared by the depositors' receipts, the entries for which however had either not been posted or posted on the wrong side of the ledger. As this explained the large difference of over $18,000 which had been charged to the Contingent Fund in 1851 that account was now credited with the amount of the 71 accounts that had been paid. In December the Board directed that the balances of individual ledgers should be taken off yearly. Further discrepancies in the accounts appeared from time to time notwithstanding the great care exercised to avoid mistakes but it was not until the introduction in January 1894 of the intermediate ledger, a ledger of balances kept by sheets from day to day which are totaled and posted into the intermediate ledger at the end of each month, that the difficulty was finally overcome. Since that time the Society's books every year have been balanced to a cent, the intermediate

ledger and the General Deposit Account been kept in perfect equilibrium and by degrees all errors inherited from the past have been corrected. The net difference from postings and counter-postings has been less than $20,000 for the period of the Society's existence. The methods of bookkeeping known in the early days were far from perfect while the accounts and transactions were many, but newer and better methods now enable the book-keeping department to accurately take care of more than 293,000 accounts and a General Deposit Account of upwards of $130,000,000.

We have seen that the act of April 17, 1872, requires that all deposits for which, or for any part of which, no demand has been made for thirty years, shall be paid to the State Treasurer for the use of the State. It is quite usual to find the impression among otherwise well informed people that this Society holds a vast amount of such unclaimed deposits. Upon reflection it must be evident that one of the last things that would be totally lost sight of is a bank account. It must be due to very exceptional circumstances that either the depositor or his representatives should utterly fail to keep in touch with such a supposedly good thing as cash in bank. These statements are borne out by the experience of this Society. After the passage of the act an examination was made of the books for such accounts and as of November 1, 1873, they were found to amount to $16,203.06 which was paid to the State. Since that time such payments are made annually for the preceding thirty years, the total thus far amounting to approximately $50,000. It is quite true that each year the examination extends to a larger field of deposits, but on the other hand the care and prevision for many years exercised to draw the attention of depositors to undisturbed accounts, or to find the owners thereof, beginning when only twenty years have elapsed since the last transaction, have resulted in counteracting the increase in volume. The sum paid naturally varies from year to year but is not progressive in amount as some years it falls behind preceding years. The investigations are rigid and made at the expense of much time and trouble.



The Articles of Association were adopted on December 4, 1816. The first draft of Article I limited the investments of the Society to "Government Securities" which caused a prolonged discussion and the consideration of several proposed amendments. A motion was made to insert the words "Public or other Substantial" after the word "Government" which on suggestion was changed so that the wording would have been "Government Securities or Public Stock." The amendment was defeated and an effort was made to substitute "Public or other Substantial" in place of the word "Government." This was also defeated. It was finally decided to use the words "Government Securities or other Substantial Public Stock." So important was the matter considered that after it was announced that the amendment had been adopted by a vote of eight to four "Condy Raguet, one of the dissentient members, required that the names of the yeas and nays be recorded on the minutes." It was seen that the matter of investing the funds of the Society was of the utmost importance to the solution of which foreign precedents were able to afford but little assistance.

The different principles of banking that had been adopted in England and Scotland had produced results entirely favorable to the Scotch system, which our own in theory approximated, but which, owing to the radically diverse political, geographical and economic conditions existing here could not be turned to the use of Savings Banks as had been done in Scotland. A brief review of the facts is appropriate for an adequate understanding of the problem with which the Managers were confronted.

There existed in England one large monopolistic bank, the Bank of England, which without branches failed to afford the country the necessary banking facilities that the joint-stock banks in Scotland with their many branches had been able to offer to meet the large demands of rapidly expanding business and industry. A writer upon this matter has said: "I think that the monopoly of the Bank of England was justifiable up to 1742; or at latest up to 1762; but after that it has been nothing but an unmitigated evil. For it was after 1762 that the industrial energies both in England and Scotland burst forth with unparalleled splendor; and they required an immense extension of banking

accommodation. This was supplied in Scotland by the chartered banks throwing out branches in all directions, and carrying banking accommodations into all the principal towns of the country; and these, of course, were not independent institutions, governed by their own will; but they were integral parts of their head offices, and under the supervision and control of their experienced managers and directors. But in England, when the same accommodation was required to develop the multiplied industries—canal making, agricultural and manufacturing—with which the country was teeming the Bank of England would neither establish branches of its own in the various provincial towns nor would it permit powerful and local solid banks to be founded in them. The consequence was that hundreds of country traders sprang up as bankers to supply the indispensable currency. The majority of them were perfectly unfit from their want of capital and experience to do so; and they were all perfectly independent of each other, without any central control and supervision. No doubt great things were effected by them; but when terror and alarm came in 1793 and 1797, they were swept away in multitudes."*

Again speaking of the conditions in England, "In seven years, from 1810 to 1817, 157 commissions in bankruptcy were issued against country bankers; in the crisis which had just occurred seventy-six failures had taken place. But from the different ways of making compositions, etc., the number of failures should probably be estimated at four times the number of the commissions in bankruptcy. What system could be worse or more prejudicial to every interest in the country, than one which admitted of such an enormous amount of failures? Contrast what had been the case in Scotland, under a different system. Mr. Gilchrist, a manager of one of the Scotch banks, had been asked by the committee of 1819 how many failures there had been in Scotland within his recollection, and said, that there had been only one; that the creditors had been paid 14s. in the pound immediately, and finally, the whole of their claims."†

Once more; referring to Sir Robert Peel's argument in the

*H. D. Mac Leod in A History of Banking in All Nations, Vol. II, p. 170.
†Do. p. 69

House of Commons in 1844 against unlimited competition drawn from the recent experience in the United States, the author says: "What was the need for Sir Robert Peel to cross the Atlantic in search of an example of joint-stock banks with unlimited competition of issue? Why did he not cross the Tweed? On the north side of the Tweed there had existed joint-stock banks with unlimited issues for 150 years, and no central bank to control the others; the principle of free competition had been left unchecked, and the natural consequences, 'Suspension of cash payments and complete insolvency,' had never occurred. In 1826, Sir Robert Peel had denounced the monopoly of the Bank of England in the severest terms, and lauded the Scotch system of competing banks with unlimited issues to the skies. Why had his zeal for the Scotch system cooled down to zero in 1844? But he carefully avoided saying a word about that case, because it militated against the theory he was determined to carry at all hazards—namely, that of one Central Bank of Issue. But the evidence he adduced was as great a misrepresentation of historical fact as what we have already quoted in a former section. The American Banks, indeed, established on principles the most satisfactory! Why, John Law was the inspiring genius of American banking in 1834 till the subsequent crash. It was not because they were unlimited that was the cause of the catastrophe, but because the American legislatures fostered Law's wildest ideas of paper money."*

The bearing of the foregoing on Savings Bank investments was simply this: the original Savings Banks of Scotland redeposited all of their funds in what were known as the "Public Banks" or joint-stock banks, at stipulated rates of interest which were more favorable than those allowed to ordinary depositors, and this was their whole means of securing a return for their depositors. On the other hand, the absence of such trustworthy and stable institutions in England where, due to the conditions that have just been related, apart from the Bank of England there were only private banks which "did not usually allow interest on money lodged with them,"† made it necessary for the Savings Banks to find investments, which originally consisted mostly of public securities

*Do. p. 74 †Lewins History of Savings Banks, p. 57

but also of mortgages. The conditions in England are referred to in a pamphlet from which a quotation has been made in a previous chapter* and from which the following is taken:

"At Edinburgh the Society has some advantages which we do not possess; there the Depositor by being required to withdraw his money as soon as it amounts to £10 and to begin a new account is subjected to no inconvenience, because he has the means immediately at hand of disposing of the sum withdrawn, in a Bank of such known solidity as to be in point of credit nearly equal to a national one; but in this part of the United Kingdom, where failures have unhappily occurred in the country banks of the highest credit, prudent and necessary caution requires that the money should be vested in Public Securities."

Mr. Lewins on the Scotch practice has this to say: "It will be observed that up to this time,† and some years subsequently, the Savings Banks had no connexion with Government, and the funds realized were accordingly deposited with some banking company, and, as a rule, the interest received was at a higher rate than has since obtained. One feature in the Edinburgh Bank, as in other Scotch banks of the period, is unknown at present. When the deposits of any one person amounted to ten pounds (the minimum sum received by an ordinary bank), he was presented with an interest-note upon any banking firm he chose to name for the amount. Henceforth he held an account with the bank in question, receiving a higher rate of interest, and a strengthened security for his money. The Savings Bank, however,—and this is noteworthy,—was still open to him as a bank for his small accumulations as before, and until they again amounted to the sum of ten pounds. The Edinburgh Bank, thus restricted to such small sums and simple operations, was able to get through its work with little trouble and a minimum of expense."‡

The Managers of this Society overcame the difficulty by providing in the first of the Articles of Association, as we have seen, that its funds should be invested in "Government Securities, or other substantial Public Stock", and by selecting the Schuylkill

*Observations on Banks for Savings: Association, p. 28
†1815
‡Lewins, History of Savings Banks, pp. 41-42

Bank as its depository, produced a result which in a measure combined the Scotch system with the English practice.

The Association began its existence under a revival of favorable financial conditions in this Country. "During the year 1815, the bank note currency became worse and worse. The story is told of a 'little Frenchman and his bank notes,' who entered the Country at Savannah with specie and travelled up the coast to Boston. He found his 'money' all the time melting away. His American adviser told him that if he would begin at Boston and go back again, he could recover it all. The Frenchman, 'holding up a parcel of ragged, dirty bills, pregnant with filth and disease,' said: 'Voila! it's like making a difference between the rags of one beggar and the rags of another.'"*

This condition was to be cured. The charter of the Second Bank of the United States became a law April 10, 1816. "It was to provide a uniform currency or equalize the exchanges, and it was to collect and pay, on behalf of the Treasury of the United States, at all points and without delay."† "This period was, considering the circumstances, one of active literary discussion on topics of currency, and Carey was one of the most active writers. * * * In his Letters to the Bank Directors of Philadelphia, he described the great prosperity of 1816. It was the golden age of Philadelphia. An immense business was done with great profit, upon bank credit, the banks being very liberal."‡

February 20, 1817, was the day appointed for resumption of specie payments. The contraction that had been going on in the State bank issues in preparation for the event gave rise to apprehension and complaints in certain quarters. "Virginia tried to force resumption by a State law, but the opposition prevailed to secure a postponement of the day set and, subsequently, a return to inflation. However, in the latter part of 1816, no crisis nor panic at all occurred. No evidence of distress in the business of the Country appeared. The exchanges steadily improved down to the day fixed for resumption."§

The Society incorporated, on the other hand, began its career February 25, 1819, under adverse circumstances. "In the spring

*History of Banking in all Nations, Vol. 1, p. 70
†Do. p. 73 ‡Do. p. 74 §Do. p. 77

of 1819 the exchanges grew worse, and so continued through the summer. * * * Adams notes in his Diary, June 10, 1819, a conversation with Crawford* about the 'operations of the Bank and the gigantic frauds practicing upon the people by means of these institutions. The banks are breaking all over the country; some in a sneaking, and some in an impudent manner; some with sophisticating evasion and others with the front of highwaymen. * * * Crawford has labors and perils enough before him in the management of the finances for the three succeeding years.' This prediction was soon amply fulfilled."†

Under the first Article the first investment was as of December 17, 1816, $450 United States 6% loan at a premium of 1%. The investments of the Society for the first sixteen months of its existence were entirely in United States 6% loans, but the desire to substitute Philadelphia City bonds soon manifested itself and in October 1817 it was decided to dispose of so much of these loans as could be reinvested in Philadelphia City loan "at a rate not exceeding 2% advance." By rate here was undoubtedly meant price and as no City loan was purchased at the time it would appear that the condition could not be fulfilled. On June 4, 1818, however, it appears that the Society sold $1,900 United States 6% stock and reinvested the greater part of the proceeds in a Philadelphia City loan of $2,300 payable June 3, 1825, at a cost of $1,444.53 being a discount rate of about 6% and an interest rate of approximately 7%. To widen the scope of investments the Board amended the first of the Articles of Association on February 2, 1818, so as to authorize "investment of funds subsequently received in any public stock or substantial security on real estate." This was the first authorization of real estate loans. The first mortgage taken by the Society was on April 1, 1818, for $3,500. At the time of the transfer of the assets of the Association to the Corporation, March 31, 1819, they consisted of United States 6% loans $9,218.79; mortgages $35,075.36; City loan $1,573.34; and cash $1,250.66 making a total of $47,118.15.

On March 4, 1822 the Committee of Investment was authorized to make a loan of $2,500 on such security as they should deem advisable at 6% per annum. This would appear to be the first

*W. H. Crawford, Sec'y. of Treas. †Do. p. 101.

authorization of collateral loans without specifically designating it as such, but the loan does not appear to have been made. The accounts show that the first collateral loan was made on March 25, 1822, on shares of the Bank of the United States and from that time it was customary to lend large sums of money on stock as collateral although a formal resolution authorizing collateral loans was not passed until November 1, 1825, when the Committee of Investment were authorized "to make loans on stocks deposited as collateral security, provided such loans shall not be for a less period than three months and that the collateral deposited shall be the stocks of the United States, of the City of Philadelphia and Banks in the City and County of Philadelphia." Prior to this resolution the collateral accepted had been United States loans, Bank, Turnpike, Insurance Company and Canal stocks and in one instance $20.000 on $22.000 of North Carolina Bank Notes. In June 1819 the Board passed a resolution providing for a "Contingent Fund" which was to bear fruit, as we have seen in the chapter on Legislation, in the attempt made in 1869 to have a portion of the fund escheat to the State and the subsequent legislation of April 17, 1872, authorizing a Contingent Fund not exceeding 15 per cent of liabilities. A few words as to the origin of the Contingent Fund may prove of interest. No. 6 of the Articles of Association provided that "the surplus of interest, after defraying the expenses of the establishment, shall be divided every three years, amongst the depositors, who have had funds lying to their credit for the preceding twelve months, in proportion to the amount of their deposits." The idea embodied herein was taken from the foreign originals. In theory all of the profits from the investments of the banks were to be paid to the depositors less such small proportion as, added to the "auxiliary funds" previously mentioned,* would enable the management to meet the running expenses. The auxiliary funds were the precursors of our Contingent Fund. They were presumed to be accumulated from the interest on numerous small deposits that had not yet reached the size to entitle them to interest from the Savings Bank; also from the difference between the interest received on investments and paid to depositors which was supposed to be kept down to the bare

*p. 21

necessities of the institution; but chiefly from "the generosity of individuals in opulent circumstances."* In the words of the rules of one of the Societies the auxiliary fund was to consist "of contributions of the benevolent,—together with the surplus interest, and any unappropriated money arising from other sources."* This surplus fund was designated, after the payment of expenses, to be used in various ways according to the rules of each Society; such as premiums for the encouragement of regular weekly deposits and occasional loans "to enable deserving members to repair some casual misfortune, or to prosecute their lawful business with advantage,"* and to provide the means for periodical extraordinary disbursements to depositors. Thus one of the rules of the Provident Institution of Bath, founded in January 1815, provided that the proceeds from investments in the public funds should be distributed, four fifths in dividends and likewise "a proportionable share of the surplus of the other fifth, which shall remain at the end of five years, after payment of the incidental expenses."* The Liverpool Mechanics, Servants and Labourers Fund, established in 1813, declared: "The principle of this bank is, that every person becomes a proprietor of stock to the amount of his deposit, and shall receive the interest annually, after deducting $\frac{1}{20}$ for the necessary expenses of management. This $\frac{1}{20}$, together with the farthings, (which are not paid,) is reserved for the above purpose; and should any surplus remain at the end of five years, it is to be divided amongst the then existing proprietors."*

At the time of the incorporation it was found impracticable to carry out the provisions of the 6th Article and moreover the importance of a fund to offset possible losses on securities was realized. At the time of the resolution of the Board authorizing it, the fund amounted to $1,450. In February 1826, the Secretary in his first annual report, estimated the Contingent Fund at nearly $10.000 which, he said, would be about sufficient to extinguish the premium on public stocks amounting to about $3,000 and to diminish the cost of real estate taken in payment of debts about $7,000. The surplus of income for the year 1825 he estimated at about $8,000 which, he said, "considered as the means of placing the affairs of the Institution on a permanent basis suitable to its magnitude, and as affording additional security to the depositors,

*Essay on Parish Banks, Duncan, pp. 27, 70, 74, 77, 80.

would be contemplated with satisfaction by the Board." He added: "During nine years that this Society has been in successful operation we have seen great changes in the value of property, the wreck of many private fortunes and the prostration of many public institutions. In all these vicissitudes the Society has been uninjured. The experience of the past is not however in such cases a criterion of the future, and it appears to me presumptuous to expect that this is to be the only institution whose career is never to be arrested by adversity or impeded by any casualties. To meet these events which no prudence can completely guard against in an employment of funds so extensive, the existence and growth of a contingent fund is necessary. In The Philadelphia Saving Fund Society, as no dividends of profit are made, it is immaterial whether the Contingent Fund is so designated and set apart or whether the profits are considered as a contingent fund. The main point is that this additional security to the funds should exist and continue to bear at least a certain proportion to the amount of investments; that this has been fully accomplished by the past business of the Society and that similar success may be expected in its future operation."

In May 1824 a resolution was passed, by a vote of eight to six, "that it is inexpedient that loans be made to ecclesiastical corporations upon the security of the church or place of worship owned by such corporations." At the January meeting, 1826, a committee was appointed "to consider and report upon the expediency of recieving proposals for loans on property subject to prior encumbrances of small amounts, and if thought expedient, what additional precautions for the security of the Society may be necessary in cases of these prior encumbrances."

This resolution and the recommendation of the Secretary in his February report to apply $7,000 of the surplus to diminish the cost of real estate taken in payment of debts should be considered together. In the early days of the Society its field for investment was very restricted. Apart from public loans the only other available security was real estate mortgages, these both in the nature of things and by reason of the limitations that the Managers had imposed upon themselves in the Articles of Association. On several occasions they took second mortgages some of which turned

out badly, although it would appear from a statement of the President made long afterwards, in January 1841, that the real estate which had been acquired under foreclosure realized more than was anticipated, as he then stated: "It is gratifying to be able to add that of the whole amount of mortgages held by this Society from its establishment to the present hour, namely, $1,857,761.76 not one cent of principal has been lost. In one instance, however, interest for about seven years was lost, owing to the Society having as far back as the year 1818 taken a second mortgage. Since that period, however, XXIV By-Law, adopted May 6, 1835, relating to 'investments' forbids money to be lent on mortgage on real estate, when there is any prior encumbrance."

We have seen that in 1822 the Society began making collateral loans secured by stock of various corporations. In his annual report, just referred to, February 1826, the Secretary said, inter alia, "A considerable part of the investments of the Society being upon loans upon collateral security of stocks, the propriety of an agreement by the contracting parties which shall give to the lender the right to dispose of the pledged property, as soon after the condition of the contract shall become due and shall not be complied with, as may be thought proper, is respectfully suggested. A form of an agreement sometimes used is herewith presented." The Board authorized the Committee of Investment to adopt the suggestion. It seems strange that this kind of investment should have been allowed to go on unquestioned for a long period; not that there was necessarily anything in the Charter to raise a question as to whether such loans were authorized, but because they were such a wide departure from the Articles of Association and from what had been the practice up to 1822. But so it was until June 1830 when a committee was appointed "to enquire into the expediency of diminishing the amount of money now loaned for short periods on pledges of stock or other securities." At the July meeting this committee reported that the collateral loans on pledges of stock of corporate bodies then amounted to the sum of $92,875 and that those without tangible security to $38,000 and "that it is at least doubtful whether loans upon pledges of stock are warranted by the Charter of the Society and they feel satisfied that the loans of $38,000 are made upon principles at variance

with it." The Board then resolved to submit to the Solicitor this question: "Can the moneys deposited in The Philadelphia Saving Fund Society, consistently with the Charter, be invested in or loaned on any other security than real estate or the funded debt of the United States or of the Commonwealth of Pennsylvania?" At the September meeting the Solicitor reported that in accordance with the privilege extended to him by the Board he had associated with himself Messrs. Sergeant and Binney and he then submitted an opinion signed by himself and associate counsel, the substance of which will be here briefly stated.

For a ready understanding of its import it is well to recall that under the Articles of Association the investing power of the Board was originally limited to "Government Securities or other substantial Public Stock", which in 1818 was amended to "Public Stock, or substantial security on real estate". The preamble of the Charter recited that "Whereas, a voluntary association of a number of the Citizens of Philadelphia and its neighborhood, under the title of 'The Philadelphia Saving Fund Society', has for sometime existed, and has been established for the sole purpose of receiving and investing in Public Stock or substantial security on real estate, etc.". Section I, by broad enactment, made a very liberal grant of powers relating to the acquisition and the management of the assets of the Society without any restriction. With regard to this section the opinion stated: "It seems to us very clear that the words of the Act are comprehensive enough to embrace and authorize every investment which the Managers in their discretion may think fit to make for the benefit and improvement of the fund." As to whether the recital in the preamble in any way limited this power it was held that the preamble is no part of the law and has no enacting virtue; that while in doubtful cases the preamble may serve to show the intention it can never overrule the plain words of the enactment; that in the present instance its meaning is not doubtful; that the only doubt arises from the preamble itself, which if struck out would leave the rest plain; and that "it transcends in our opinion the legitimate office of the preamble to allow it first to throw obscurity upon that which is clear and then interpose to remove the obscurity. This would in effect be to substitute the preamble for the enactment." The opinion

then went on to point out that the recital in the preamble related to the past practices of the Association and was not to be construed as indicating that the Society desired no further or greater powers than they had theretofore exercised. To the final question whether there is no limitation to the employment of the funds, counsel then replied: "We answer that there certainly is. The power of the Managers is limited by the general character and purposes of the Institution. They cannot employ the funds in business where the capital itself is put at risk. They are to invest so as to receive an income and be able to command a return of the capital. Within that limit their skill and integrity are the security to the depositors under the Charter, as they were before the Charter was granted."

The opinion that the funds could not be invested in business where the capital itself may be put at risk but were to be invested so as to receive an income and be able to command a return of the capital seems to have been intended to prohibit the purchase of the capital stock of corporations while authorizing the purchase of loans. The practice of making collateral loans on corporation stocks was continued down to February 1839 when they were discontinued on account of the need of funds to pay depositors. Those outstanding were gradually called until at the January meeting 1841 the President was able to say: "The loans on stocks, I may here mention, which on the first of June, 1834, when I had the honor to be elected by the Managers their President, amounted to the sum of $260,100, from that time were gradually reduced and during the past year were entirely paid off."

Finally, with regard to the scope of investments, at the December meeting 1871 a resolution was offered authorizing the President to obtain, if practicable, from the Legislature a supplemental act to the Charter placing the Society on the same footing with The Western Saving Fund Society of this City in respect to the kinds of securities which it is allowed to purchase for investments. The matter was referred to the President with instructions to have prepared and submit to the Board at its next meeting a draft of an act enlarging the sphere of the Society's investments. The enacting clause of the Charter of The Western Saving Fund Society is in the very words of that of this Society,

and therefore it seems, notwithstanding the very definite opinion of the Solicitor and his associates, Messrs. Sergeant & Binney, rendered in 1830, which however may have been forgotten, that the preamble of the Charter was still the stumbling block. The draft of the act prepared by the Solicitor and which was passed by the Legislature bears out this surmise as it provided that so much of the Charter "approved the 25th day of February, 1819, as may be held or construed to limit the investments of the said Society, other than in real securities, to the loans of the United States and of this commonwealth, be and the same is hereby repealed: Provided, that nothing, herein contained, shall be taken to authorize the said Society to purchase or discount promissory notes, bills of exchange or other individual securities, or to purchase or lend upon shares of stock in joint-stock compaines or corporations." This is the act of 1872 previously referred to in this volume.*

It was based on a wrong assumption of facts as no part of the Charter had ever been held to limit the investments other than in real securities "to the loans of the United States and of this commonwealth." Such a construction had never even been suggested. The object was of course to dispose of any doubts that had been raised by the preamble, but to repeal that in so far as it might be construed in a way in which it had never been construed was a peculiar method of removing the difficulty. The words of the preamble, were "Public Stock or substantial security on real estate" without designating any particular public stock.

Even presuming that the words "loans of this commonwealth" in the repealing clause were meant to embrace those of all political subdivisions of the State, including Philadelphia whose bonds from the earliest days had been a favored investment, still, the Society at various times had held, and at the time of the enactment held, other kinds of investments as to which they had never entertained a doubt.

The act of 1872, however, was an effective piece of legislation as, even if the supposed Charter limitations that it was presumed to repeal had never existed, still, to specify any as all of the

*p. 52

limitations and then to remove them, was just as sweeping as to repeal in broad terms all that existed without specifying any. This made way for the Proviso of the act to negatively re-impose others by prohibiting enumerated powers which the repeal might "be taken to authorize." Thus by a negation was the question settled of the scope of the Society's power to make investments and the act has been faithfully followed in the full spirit in which it was evidently intended. In so far as the Contingent Fund and the scope of investment are concerned it has seemed better to anticipate the final outcome in order to present these matters in their entirety rather than in piecemeal, in a disjointed way, not directly connected with the investment situation at the different stages of their development. By this method nothing will be lost to the continuity of the narrative, as, although the act of 1872 prescribed a limit for the Contingent Fund, the decision preceding that legislation conferred no new right but simply affirmed a practice that had been inaugurated in 1819 and had since been continued without intermission, while the limitations on investing of the act of 1872 in only two particulars, purchasing individual securities and loaning on corporation stocks, which had been discontinued by the voluntary action of the Board, ran counter to any former usage.



We have seen that the Association in 1819 passed to the Corporation securities consisting of United States loans, mortgages, City loans and cash aggregating $47,118.15, and we have reviewed the steps by which the Society established its right to maintain a Contingent Fund and to have defined its power of investment. Taking up the subject of deposits and investments therefore from the beginning of the Society we shall proceed chronologically with the narrative of their growth, in the former case from, in round figures, $1,043.52 December 31, 1816 (one month), to $130,926,173.54, Nov. 1, 1916; and in the latter case from $454.50 to $140,065,247.09* at the same periods. The number of accounts at the former period was 16 and at the latter 293,375. From the tables presented herewith the assets and liabilities of the Society will be seen at a glance for each five year period from January 1, 1820, to January 1, 1916. The history will therefore be confined to such information regarding each kind of investment, of the relative changes therein and of the rise and fall in deposits and the reasons therefore as will probably prove to be interesting. The best resumés of the state of the Society from time to time are found in the annual reports. Under the by-laws of June 17, 1825, it was the duty of the Secretary to annually present to the Board a report on the condition of the Society, but when in 1833 the President became its active head this requirement was transferred to him under a by-law adopted in that year. In November 1825 a special committee appointed to take into consideration the mode of investing the funds of the Society laid down principles for investing which are just as sound to-day as at the time when they were announced. It was then said:

"While the committee deem it their duty to express the opinion that the largest portion of the funds of the depositors should be invested in a permanent form, and that at the earliest moment after they shall be received such permanent investments should be sought, yet, the exigencies of the Institution, the obligation to retain at the immediate command of the Board a sufficient sum to satisfy any and every demand which by any course of probable circumstances could be made, also require that a part of the funds should be vested in convertible stocks or even in

* Does not include $7,275,506.96 cash.

TABLE A

ASSETS

	U. S. Loans	*Penna. State Loans*	*Phila. City Loans*	*Other Public Loans*	*R.R. and Canal Loans*	*Mortgages*	*Real Estate*	*Ground Rents*	*Collat. Loans*	*Cash*	*Total*
Jan. 1,											
1820	$22,409.29		$3,173.34			$35,075.36				$5,846.98	$66,504.97
1826	83,469.54		87,505.22			204,556.80	$36,399.41	$1,175	$149,370	2,392.29	564,868.26
1831	30,000	246,500	88,623.03			436,160.80	10,000	10,000	88,475	1,244.52	911,003.35
1836		338,596.42	40,800		$23,061.32	893,447.29	35,183	10,000	147,300	4,734.76	1,493,122.79
1841		177,282.99	50,800		71,384	927,715.33	31,937.06	32,416.67		29,506.79	1,321,042.84
1846	101,050	97,888.78	25,400		22,884	1,492,391.26	31,937.06	10,000		19,718.17	1,801,269.27
1851	120,000	98,219.15	30,250		22,884	1,761,113.33	31,957.95	10,000		33,562.73	2,107,987.16
1856		235,614.25	235,314		19,223.74	2,566,104.87	31,957.95	10,000		66,460.55	3,164,675.36
1861	281,250	360,000	340,425			3,244,602.03	32,800	62,500		267,587.10	4,589,164.13
1866	1,347,306.25	375,335	315,875			2,071,834.43	84,251.18	58,666.67	453,563	27,965.93	4,734,797.46
1871	983,500	571,835	250,000			5,558,553.35	226,989.95	36,666.67	1,241,850	104,257.52	8,973,652.49
1876	1,384,000	258,835	1,100,110.41	722,000	1,193,250	6,629,265.09	245,585.69		395,125	441,384.30	12,369,555.49
1881	5,081,187.50	1,809,165	1,050,000	722,000	3,721,906.67	4,202,249.58	428,973.99		1,756,821.71	761,407.11	19,533,711.56
1886	5,602,187.50	2,284,100	1,050,000	1,371,500	9,062,441.30	3,179,736.67	525,083.36		2,861,025	1,430,554.46	27,366,628.29
1891	48,000 D.C. 1,347,187.50	1,414,200	2,174,600	7,073,030.35	10,586,241.30	8,587,095.66	289,120.89		2,164,257.57	1,929,555.89	35,613,289.16
1896	1,000,000 D.C. 4,284,187.50	526,000	4,014,175	5,878,477.70	15,000,914.50	10,309,888.34	283,541.77		169,000	3,514,257.41	44,980,442.22
1901	1,000,000 D.C.	860,100	3,824,425	3,983,053.60	33,853,606.65	13,355,535.38	653,041.02		7,300	6,148,218.23	63,685,279.88
1906	1,000,000 D.C.		2,507,383.06	3,147,400	63,729,635.20	12,782,893.31	139,332.45		2,240	4,833,461.67	88,142,345.69
1911	500,000 D.C.		10,542,553.73	15,362,218.08	70,384,359.51	8,615,344.13	205,000			5,976,858.67	111,586,334.12
1916			11,056,881.75	24,242,594.06	80,148,148.52	14,669,085.53	155,000			7,477,777.80	137,749,487.66
Nov. 1,											
1916			11,056,881.75	26,629,388.87	87,210,982.20	15,012,994.27	155,000			7,275,506.96	147,340,754.05

TABLE B

LIABILITIES

	General Deposit Account	*Increase or Decrease*	*Contingent Fund*	*Dower Mortgage Acc't*	*Total*	*Number of Accounts*	*Increase or Decrease*
Jan. 1, 1820	$64,263.72		$2,241.25		$66,504.97	665	
1826	563,632.61	$499,368.89	1,235.65		564,868.26	3,353	2,688
1831	903,466.56	339,833.95	7,536.79		911,003.35	6,077	2,724
1836	1,446,525.09	543,058.53	46,597.70		1,493,122.79	9,600	3,523
1841	1,196,647.60	*249,877.49	124,395.24		1,321,042.84	7,912	*1,688
1846	1,656,634.32	459,986.72	144,634.95		1,801,269.27	10,252	2,340
1851	1,876,086.75	219,452.43	231,900.41		2,107,987.16	10,638	386
1856	2,847,913.70	971,826.95	316,761.66		3,164,675.36	16,713	6,075
1861	4,083,450.28	1,235,536.58	505,713.85		4,589,164.13	21,265	4,552
1866	4,242,545.92	159,095.64	492,251.54		4,734,797.46	21,013	*252
1871	8,240,441.87	3,997,895.95	725,543.95	$7,666.67	8,973,652.49	34,641	13,628
1876	11,290,127.37	3,049,685.50	1,079,428.12		12,369,555.49	44,700	10,059
1881	18,372,115.66	7,081,988.29	1,161,595.90		19,533,711.56	69,881	25,181
1886	25,407,150.86	7,035,035.20	1,959,477.43		27,366,628.29	105,046	35,165
1891	32,234,164.89	6,827,014.03	3,379,124.27		35,613,289.16	135,104	30,058
1896	40,386,283.78	8,152,118.89	4,594,158.44		44,980,442.22	162,447	27,343
1901	58,207,083.29	17,820,799.51	5,478,196.59		63,685,279.88	207,470	45,023
1906	80,991,219.95	22,784,136.66	7,151,125.74		88,142,345.69	250,419	42,949
1911	101,326,993.82	20,335,773.87	10,259,340.30		111,586,334.12	273,320	22,901
1916	125,522,321.59	24,195,327.77	12,227,166.07		137,749,487.66	284,846	11,526
Nov. 1, 1916	130,926,173.54	5,403,851.95	12,235,507.31		147,340,754.05†	293,375	8,529

*Decrease. †Includes income account.

ANNUAL LIMIT ALLOWED

1816	December	2nd	no limit
1819	February	25th	$500
1828	"	7th	200
1869	March	20th	500
1876	January	1st	300
1897	December	1st	500
1899	July	1st	300
1904	January	1st	500

RATE OF INTEREST

1816	4 9/10% from December 2nd		
1820	4% from September 20th		
1856	January	1st	4 9/10%
1859	"	"	5 1/10%
1864	"	"	4 9/10%
1880	"	"	4%
1881	"	"	3%
1883	"	"	3% to $1,500; 2% over $1,500
1886	"	"	3% to $1,500; 2% to $4,000; 1% over $4,000
1889	"	"	3%
1907	"	"	3½%
1909	"	"	3.65%

more tangible funds. To draw a line between these modes of investment, and to fix on their respective proportions, seems impossible; and the constant exercise of the discretion of the Managers, upon a full knowledge of the situation of the Institution and of the money market, seems the only mode by which the subject can be properly regulated."

It was in response to this report that collateral loans were authorized. By the term "convertible stocks" in the report was doubtless meant the collateral authorized at the same meeting as heretofore stated.*

A very noticeable feature in the history of the Society's investments is the change of attitude on the part of the Board to the different kinds of securities, due, of course, to their experiences at critical times. As with the exception of United States loans the Society held no public loans outside of the State of Pennsylvania until after 1870, when at the January meeting a resolution was passed authorizing the purchase of "loans of other State Governments," the phraseology public loans, as used herein down to that time will be limited accordingly.

For more than fifty years the premier securities were public loans, or stocks as they were designated on the Society's books, and mortgages. The relative amounts owned were frequently varied. For seven years out of ten from January 1, 1819, to January 1, 1829, the amount of public loans exceeded the amount of mortgages. In February 1823 a committee on mortgages reported that "they are satisfied that the sums loaned by the Society are as well secured as could reasonably be expected." There was evidently more competition in securing mortgages than public loans as private investors naturally sought the former.

At the September meeting 1829, however, the Board considered, and was much disturbed by, a decision of the Supreme Court to the effect that a purchaser at Sheriff's sale held land discharged from all liens whatever whether mortgage or judgment, and appointed a committee to enquire what measures it was expedient to take in regard to the mortgages held by the Society. At the next meeting the committee reported: "That

* p. 158

although the confidence heretofore reposed in this species of security is materially impaired by the decision referred to, yet, as the mortgages held by the Society are, without exception, upon property in the City and County of Philadelphia, the risque does not appear to be such as to require, under present circumstances, that the loans should be called in. The Committee believe that the precautions contemplated by the annexed resolutions will be sufficient, at least until it shall be seen whether the subject will attract the attention of the legislature. The following resolutions are therefore recommended, viz:

"Resolved, That the Solicitor be requested to make such arrangement as he may find convenient and practicable, for having the Secretary furnished with a copy of every advertisement of a sale of real estate by the Sheriff.

"Resolved, That a committee of three members of the Board be appointed, in conjunction with the Solicitor, to examine and report upon the security of the mortgages held by this Society."

The matter was of very great importance to the Society as of total assets at the time of $757,000 there was invested in mortgages $322,000. The situation was cured however the very next year by the act of April 6, 1830, which provided that "Where the lien of a mortgage upon real estate is or shall be prior to all other liens upon the same property, except other mortgages, ground-rents, and the purchase-money due to the commonwealth, the lien of such mortgage shall not be destroyed, or in any way affected by any sale made by virtue or authority of any writ of *venditioni exponas*," and that "No sale made by virtue or authority of any writ of *levari facias* issued upon a judgment in a suit upon a mortgage, shall destroy or in any way affect the prior lien of any other such mortgage as aforesaid."*

We have seen that the Corporation began business in 1819 under unfavorable circumstances.

Although the tables here given are for five year periods the deposits and investments will be considered in decades down to the Resumption Act of 1879 and partially in relation to contemporary conditions which naturally affected them and which in turn they reflected. Thereafter the field of review will be

*Purd. Dig. p. 1183

enlarged as the range will be closer and events that have transpired within the memory of the present generation more familiar.

As a preliminary to stating the results achieved by the Society in each decade it is pertinent, and may prove interesting, to give a cursory review of the financial conditions of the period.

With the exception of an acute situation which developed in 1825, causing many failures and due largely to speculation in cotton and a collapse in its price at Liverpool, there was nothing in the period from 1820 to 1831 to cause any very serious difficulties to the Society.

On November 1, 1825, in the face of this crisis "The committee, to whom was referred the subject of the present mode of investing the funds of the Society" reported "the increased amount of deposits in the Institution, and the probable increase of the same hereafter, have placed and will continue to place in the hands of the Society large sums of money the investment of which at a sufficient rate of interest will be difficult."

Although the state of the Society justified at the time of his report in 1826* the optimistically prophetic view of the Secretary, it will however be seen before we reach the end of this chapter that the great currents of large events are felt in no small degree even in the back waters in which Savings Banks are sometimes supposed to rest in undisturbed security. For a proper appreciation of what the Society has accomplished it will be necessary to view its operations in relation to surrounding conditions; prosperity, depression, inflation, contraction, and panics.

The re-chartering of the Bank of the United States in 1816 no doubt had a beneficial result. "One of the first effects was to force a large number of State banks to resume specie payments or to wind up their affairs."† The resumption was more or less nominal as the banks kept putting out paper to which there was no limit "except the utmost that each bank could keep afloat. The specie reserve was kept as low as the banker dared to risk."‡ In the latter part of the period however specie began to accumulate, and for the whole period there were no suspensions of specie payments.

*p. 160
† Encycl. Amer. Vol. 2, Banks and Banking
‡ History of Banking in All Nations, Vol. 1, p. 182

The growth of the Society's deposits and accounts was encouraging, there being only one minus year, i. e. where payments to depositors exceeded receipts from them, which was 1829.

On the investment side holdings of the United States loans had diminished; the purchase of Pennsylvania State and Philadelphia City loans, the former begun in 1818 and the latter in 1828, had assumed considerable proportions; while mortgages had been largely increased and constituted almost half of the assets. The Contingent Fund was little more than nominal.

The next decade was marked by the development of railroad and steamboat transportation; the opening up of public lands to settlement and purchase; large expansion in bank issues; and the famous Jackson Specie Circular followed by the panic of 1837 and subsequent years with suspension of specie payments and incalculable distress to the whole Country. This was the period of so called "wild cat" banking. Quoting again: "In the six months before the suspension of 1837, although the amount of the currency was greater than it had ever been before in the United States, yet the scarcity of money was so great that it commanded from 1% to 3% per month. The Philadelphia banks suspended as soon as they heard that the New York banks had done so. They declared that they had plenty of specie for Philadelphia, but not enough for the 'Atlantic Seaboard.' In 1838 the rate for loans at Philadelphia was 15% and 18%. Specie was at 7% and 7½% premium at Philadelphia."* This period also saw a partial resumption of specie payments. "This suspension continued over a year. The New York banks resumed in 1838, but the Philadelphia banks declared they were unable to resume. Governor Ritner, in July, 1838, by a proclamation declared that the banks by suspending specie payments have violated their charters, and he ordered them to resume on the 13th of August following. This intimation of trouble ahead induced the banks to resume payments in specie, which they continued to do for over thirteen months, when, on the 9th of October, 1839, they again suspended, but were driven to resumption on the 15th of January, 1841. This lasted but three weeks,

*History of Banking of All Nations, pp. 265, 272, 292, 303, 306

when the failure of the Bank of the United States caused all the other Philadelphia banks to suspend specie payments."*

The effect of this decade on the Society, as might well be expected, was greatly to retard its growth. There was one minus year in the first half of the period and three in the second half. The balance due depositors and the number of accounts largely increased from 1831 to 1836 notwithstanding a bad minus year in 1834, to which in January 1838, the President referred as the year of the "panic in the money market." From 1836 to 1841 there was a loss of accounts and of the balance due depositors making the net results for the decade a small gain in both respects, but considering the time elapsed not much better than a stand off. In January 1841 the list of investments showed no United States loans; a large decrease in Pennsylvania State loans and in Philadelphia City loans but a large increase in mortgages. The Contingent Fund naturally increased with the annual additions made thereto from income and the gain in the ratio of assets to liabilities due to the proportionate decrease of the latter by payments to depositors.

In May 1837 a need arose for currency in sums less than five dollars to meet the demands of small depositors. In 1828 the Legislature of the State had passed an act prohibiting banks from issuing small notes, "and the prohibition appears to have been more effectual than it generally was in other places. After some struggle, the small notes of the neighboring States were excluded and silver came into use."† On reference to the Board a resolution was passed leaving the matter to the discretion of the President with the authority if necessary to purchase the requisite specie. At the January meeting 1838 he spoke of having sold $168,000 Pennsylvania State loans at a loss of over $10,000, and in addition of having had to call over $72,000 of loans on stocks and of having received over $50,000 on mortgages to meet the demands of depositors.

The first purchase of a public utility stock of any kind was that of the Union Canal Company 6% loan in July 1834 which turned out to be a vexatious and losing investment. In his report

*Scharf, Westcott's History of Philadelphia, Vol. 3, p. 2100
†History of Banking in All Nations, quoting Raguet, Vol. 1, p. 175

of January 1836 the President referred to the practice of charging public loans on the books at their par value when the cost exceeded par and at their actual cost when that was below par. This has never ceased to be the policy of the Society with regard to all securities and notwithstanding an imputation of ultra-conservatism in so doing, the Society has twice within recent years found it necessary to make charges against Contingent Fund for heavy depreciation in their market value.

At the April meeting 1836 the Board had passed a resolution authorizing the Committee of Investment "to make such arrangements as may be necessary to meet the demands on the Society in the payments of deposits and interest" and in August 1839, the Committee referring to that resolution stated that they had made arrangements to call in a portion of the loans on bonds and mortgages and on stocks to meet those demands. This reference to calling mortgage loans is interesting in view of a statement of the President at the following January meeting that "the experience of our Office would authorize us to deem mortgages not only our safest and best investments, but the only ones available in times of need." He stated that he had been able to collect over $150,000 on account of mortgages during the year and that "the promptness with which these payments were made, as called for, furnishes the best evidence both of their security and availability." In speaking of the public loans he said: "The loans to the Commonwealth and to the City afford us all the security that every other description of property, within the same limits can offer; and as our Courts of Justice direct the same investments to be made of the funds of executors, guardians and trustees, we must not doubt the ultimate good faith of the borrowers, for we have none as to their ability to provide for and fulfil their lawful engagements."

We shall see later that this faith in the integrity of the State was not well founded. He also incidentally mentioned recent New York legislation requiring Savings Banks to accumulate gradually a surplus of not less than 10% of liabilities. A year later he said: "The loans to the Commonwealth at the time these stocks were purchased, and in every instance at a cost

above their par value, most certainly were deemed by the Society as well as most other persons, abundantly secure; and as long as the faith of the State shall continue unbroken by the regular and punctual payment of the stipulated interest thereon, doubt will not be entertained as to their ultimate redemption by the Commonwealth, notwithstanding their present depreciated value in the stock market. Whilst, however, this depreciation continues, it certainly would not be prudent for the Society to renew its investments in State stocks. Indeed in my opinion, it now becomes a grave question whether it would not be more prudent for the Managers to authorize the Committee of Investment to gradually dispose of the whole of these State stocks at their market price, and under the directions of the Board again invest their proceeds in well secured bonds and mortgages.

"The City stocks, not being now below par, and the interest being regularly and punctually paid, and the means of the corporation, as well as the known power of the City's creditors in the event of default to enforce payment, relieve us from all further solicitude as to the ultimate payment of both interest and principal of this portion of our stocks." He then stated Union Canal Company bonds "might not perhaps yield 40%" and then gave a summary of the results to date of purchases of public loans as follows: From 1817 to 1821 $115,593.75 United States loans at a premium of $1,606.79. From 1828 to 1838 $526,634.42 of Pennsylvania State 5% stocks at a premium of $31,281.54. Of the mortgages he expressed an opinion that not one was doubtful or insufficiently secured: "For the last two years no purchases of any description of stocks have been made by the Society, and the uniform decision of the Board, during that time, to invest all the accrued funds of the Society not required for probable demands of depositors, in bonds and mortgages and ground rents, well secured on property in the City and County of Philadelphia, proves the settled intention of the Managers to incur no sort of risk in their investments and their determination and ability at all times to meet their engagements." He added: "The experience, moreover, which the Society derived in the summer of 1839, when large demands on the Office were made by depositors, from the promptness from

which payments, amounting to a quarter of a million of dollars,* were made by borrowers on mortgages as called for, without either coercion or legal process in a single instance, warrants us in pronouncing these securities available at all times, and under most adverse circumstances, without loss or sacrifice." The cash statement at this time showed a balance in the Bank of the United States of over $20,000; of specie in vault over $7,000 and bank notes in vault $1,700.

The next period from January, 1841, to January, 1851, which embraced the war with Mexico, was not distinguished by any great financial revulsion. In 1840–1843 there was a money stringency followed by good times which were accentuated in 1849 by the discovery of gold in California. The uncontrolled, inconvertible and never ending issues of State banks were at all times a running sore and the failure of the United States Bank of Pennsylvania on February 4, 1841, precipitated a crisis in Philadelphia. A writer on the subject of State issues has said: "We have in our own history an example of how an ill regulated currency operates. The people of the United States during a greater part of the period from 1790 to 1865, with some notable local exceptions, had imposed upon them a bank currency which literally defrauded them continuously, because of the absence of those safeguards which the laws should have provided. The paper circulation included notes of mythical banks, notes of banks which never pretended to have coin in reserve, notes of defaulted banks, and of such as had deliberately repudiated their issues; excessive issues were common occurrences; counterfeits abounded and at times even the pretense of a bank was absent, individuals printing notes for circulation. This mass of paper was not money; the pieces merely served the purpose of counters, so long as the people, in the absence of anything else, were compelled to use them. The generally demoralized currency, which with the exception of specie, had its standard of par only in its own neighborhood, could be passed at any considerable distance only at a great discount."†

*$150,000, see p. 172

†Encyclo. Amer. Vol. X, Art's "Banks and Banking" and "Money."

Applying the foregoing to the local situation from time to time, we find it described in the present instance as follows:

"In May 1837, the Cities of New York and Philadelphia were in as nearly the same circumstances in every respect as any two communities well can be. New York adopted the policy of severe contraction, prompt liquidation and speedy recommencement; Philadelphia adopted that of relaxation, indulgence, delay, and prolonged liquidation. In March, 1840, affairs between the banks at Philadelphia were in great confusion. Each bank refused to issue its own notes. The Girard Bank and the Bank of the United States, which had been furnishing the currency circulation, now refused to do so, and the other banks refused to accept their certified cheques. The strong and conservative banks of Philadelphia issued no notes in 1840. This compelled them to do business with the notes of the others. The United States Bank furnished the circulation, in 1839–40, and failed, owing the good banks $7.5 millions. Then the Girard furnished the circulation in 1841 and failed, owing them $1 million. The operation is thus described:

"'Sound banks, wishing to resume as soon as possible, have issued no notes. Having no notes of their own outstanding, they have been compelled to receive, on deposit and in payment of debts, the notes of others, constituting the circulating medium. Unable to obtain any settlement of these bills, the bills accumulated rapidly until, unwilling to trust the issuing banks longer, the sound banks refused to take them. This involved a stoppage of the banks issuing them. There were nine banks in Philadelphia which did not fail in 1841 or 1842. The Pennsylvania, Mechanics, Manufacturers & Mechanics, Penn Township, and Moyamensing (changed to Bank of Commerce) recovered. From January 1842, to November 1845, the fourteen banks reduced their capital from $9.3 millions to $7.6 millions. The circulation went down to from $2.3 millions to $2 millions in April, 1842, and then up to $4.1 millions at the later date. Post-notes were reduced from $915,388 to 0. Specie and specie funds increased from $1.3 millions to $3.9 millions. This was the contraction to which Philadelphia was forced before she escaped from the trials and humiliations of this period. How much did she gain

by not taking it as New York did in 1837? The student of finance will seek far for another experiment so exact, comprehensive and conclusive.

"'The Bank of the United States failed February 4, 1841 and thereafter the Philadelphia banks refused its notes.'"*

At the January meeting 1841 the President reported the balance in the Bank of the United States as $20,428.50. A special meeting was called on the 16th of February, at the request of the Committee of Investment, to obtain the opinion of the Board in relation to the disposition of the notes of the Bank of the United States held by the Society amounting to $24,670. The President stated that at the time of the suspension of the Bank the Society was as usual paying its depositors in its notes and in specie and that from the moment the Bank's refusal to continue to meet demands on it in specie became known, payments to depositors were made in notes of other City banks not discredited by each other, and in specie, and that all payments made, on the day previous to knowledge of the suspension, in notes of the Bank of the United States had been redeemed either in other City bank notes not discredited or in specie. He further stated that the Committee of Investment under their general authorization to do whatever might be necessary to meet the demands of depositors had sold $10,000 of the notes of the Bank of the United States at a discount of 7½%. The Board passed a resolution leaving the future disposition of the matter to the Committee under the advice of the Solicitor. On March the 3rd the Committee reported that they had received from the Bank of the United States to secure its notes an assignment of two mortgages amounting to $27,186.10 secured by property on which there was no prior encumbrance. The records show that between August, 1842, and October, 1848, these mortgages were paid in full. The order of events was as follows: On January 1, 1841, the balance in the Bank of the United States was a little under $20,500 which by February 1st had been increased to a little over $41,000. On February 4th the Bank failed. On the 7th the Committee of Investment sold $10,000 of the Bank's notes at a discount. On March 1st there was no bank account

* History of Banking in All Nations, Vol. 1, pp. 286–363.

but the Society held in addition to specie over $38,000 of bank notes. On March 3rd the Bank of the United States gave the Society the two mortgages for over $27,000. What transpired, therefore, appears to have been this: the Bank discharged the bank balance with its own notes, presumably either immediately before or after the suspension, and then on March the 3rd gave the mortgages to secure all of its notes held by the Society. If the notes had not been taken up at that time it would seem that in the long run no loss would have been sustained as it is reported that the notes and deposits of the bank were all paid.*

At the March meeting 1841 the President said that there was immediate necessity for some action by the Board in relation to receiving and paying to depositors the certificates of debt and deposit in circulation issued by various banks in the City as a substitute for bank notes; whereupon it was resolved that with the sanction of the President and the Committee of Investment, the Treasurer should from day to day receive from and pay to depositors such certificates and other current funds.

"The neglect of Pennsylvania to provide for the interest on her debt by taxes produced a great feeling of distrust in London, which affected the value of all the State stocks."†

At the January meeting 1842 the President directed the attention of the Board to the great depreciation in State loans, and anticipating a further fall urged their sale even at existing prices. He spoke of the loss the Society had sustained, not only through the depreciation of its stocks, but within the last year from the sacrifices it had been obliged to make to guard against still further losses in the sale of the certificates and notes of the several State banks received at the counter, in order to invest the proceeds in United States stocks and Treasury notes, instead of incurring a still greater risk and loss by keeping them on hand. He questioned the advisability of continuing the practice of receiving such notes and other current funds, stating that he was well aware of the difficulties which surrounded the question, but that he had not a doubt of the Society's ability, with its specie and United States Treasury notes that could at once be converted

* History of Banking of All Nations, Vol. 1, p. 364.
† " " " quoting Raguet, Vol. 1, p. 338.

into specie, to make all payments in specie that might be called for and also to secure considerable deposits of the same kind. After the failure of the United States Bank all cash was kept in the vault, and at this meeting the President reported on hand in specie $8,322.21 and in bank certificates and notes $6,900.

In January, 1843, he recalled the fact that in the history of the Society there had only been seven minus years which he accounted for as follows:

"The deficiency of 1829, the first named year, of $52,391.06 it may be remarked, was in no way connected with the condition of the currency; but grew entirely out of a local and temporary panic, which the Managers then in the Board, will remember, arose from misrepresentations and misapprehensions in relation to the character of the Society's investments, some of which at that time were supposed to be in jeopardy; but the rumor being altogether without foundation, when the publication of the Managers made known the actual condition of the Office, it almost immediately passed away and the drainage ceased. With regard to the other six years, 1834, 1836, 1837, 1839, 1841 and 1842, the heavy drainage from our deposits, here noticed, must unquestionably be referred to the violent oscillations of our banking system, during the period named, and its effects upon our depositors in common with the rest of the community. It was, moreover, during the same period of excessive expansion and contraction of the currency, that various Savings Institutions successively rose and sunk in Philadelphia and its suburbs; and by their fall, always alarming the fears of our depositors, also aggravated the drainage of our deposits.

"To the same condition of the monetary system, in my opinion, must be traced the wild and reckless speculations that have characterized the earlier portion of the same period: and to the same influence, therefore, may we justly ascribe the extraordinary oscillations of our own deposits."

Referring to the shrinkage in accounts and assets which had taken place between February 1, 1837, and December 31, 1842, a period of six years, he said:

"On the 1st of February, 1837, when the action of our expanded currency was most felt the number of depositors then

extended to 9489, and the amount of deposits, exclusive of interest, to $1,274,921.26; whereas, at the end of the last year, as we have seen, the number of depositors had fallen to 6680, and the amount of deposits exclusive of interest to $736,746.69 a reduction of 2809 in the number of depositors and of $538,174.57 in the amount of deposits."

He referred to the decision of the Board at the last annual meeting not to dispose of State loans in accordance with his recommendation and expressed the opinion that "neither a large nor distressing assessment on the protected resources of this Commonwealth would be found amply sufficient to insure not only the payment of the interest but the entire extinguishment of all the State debts within the period of a quarter of a century", and said that for the last two years he had urged the sale of State loans to meet the demands of depositors the extent of which could not be foreseen. The Union Canal Company loan of $9,700 he considered "as almost valueless". Specie on hand amounted to $17,284.49 and bank notes to $16,265, which included $3,540 of the notes of the Girard Bank, "payable on demand and received at our counter from depositors before the final stoppage of this bank." He added: "Since that bank closed its doors various efforts have been made, but without success, to obtain some satisfactory security for the payment of this amount. As I know nothing respecting the condition of this bank, I do not feel myself qualified to express any opinion as to the ultimate redemption of these notes."* The market value of the Society's stocks he gave as follows:

Pennsylvania State	5's	44½
" "	6's	50
" "	4½'s	40
United States	5½'s	100.

With regard to the Girard Bank the following account has been given of its failure:

"The Bank of the Northern Liberties refused the notes of the Girard Bank, January 27, 1842. This produced a run on the latter to which it speedily succumbed. Four other Philadelphia banks failed at this time. These events produced a panic. No one knew what money was. Some paid their debts with their money in haste before it should be good for nothing. Those who were not

*Subsequently redeemed.

in debt lent it to their friends. There was a run, not for specie, 'for none was visible, but what seems ludicrous, a run to exchange one bit of paper for another bit of paper.' The Girard Bank was revived in 1845."*

Things began to look better for the Society in 1843 which was a plus year. On November 1st the Committee of Investment reported that they "had not succeeded in effecting investments of any portion of the large amount of cash on hand; that in the opinion of the Committee the loans of the United States were at too high a premium to invest in them; and that City five per cents. were above par and offered in very small lots." They said that good mortgages could be obtained at 5% for two years and recommended the reduction of the rate of interest on those held by the Society which otherwise would be paid off.

In the following May authority was given to sell the Pennsylvania State loans with the view of investing in bonds of the Delaware Canal Company which however the President was unable to obtain. In October the Board decided to sell still more of the State loans.

At the January meeting 1844 the President reported that during the year $60,000 of the Pennsylvania State 5% loans had been sold at $60\frac{87}{100}$; that the Girard Bank notes had risen considerably since the last annual report; and that United States stocks and City loans were above par. The cash consisted of specie $10,110.77 and bank notes $77,625.

On March the 6th the Managers had recovered sufficient confidence to again open a bank account and selected the Philadelphia Bank as a depository which it has been without intermission from that time.

In his annual report in 1845 the Board was informed that in every month of 1844 the receipts from depositors had exceeded payments which had not happened since 1821 "and with the exception of three earlier years, 1820, 1819, and 1818 never before."

The President reported that the interest on State loans due in the preceding February and August had been funded and certificates therefor given to the Society. He never forgave the State for refusing to make provision for its interest on its loans and said

* History of Banking in All Nations, Vol. i, pp. 355, 363.

"Public stocks, the experience of the Office has always shown, are not available in periods of heavy demands by depositors, except at a great loss, and even sometimes cannot be cashed. I should therefore rejoice to see all the investments of the Society confined to well secured bonds and mortgages." He evidently had forgotten the availability of United States and City of Philadelphia loans in the not far remote past.

At the January meeting 1846 he referred to the act of April 16, 1845, under which State 6% loans and interest thereon had been converted into 5's.

At the next annual meeting he made a very strong statement as to the Society's mortgages and gave a resumé of its investments as follows:

"The whole of the Society's mortgage securities are of such unquestionable sufficiency that they could at any moment when wanted be made available either by their redemption or at sale in the market for cash at par.* * * * * From the month of December 1816, when the Society's investments commenced, until the month of April 1818, they were confined to United States 6% loans. In March 1818 they were extended to other public stocks and to mortgages. From April 1818 until the beginning of the year 1821 other public stocks bearing interest at 6% were purchased and in the month of January 1821 the Managers resolved also to make loans at 6% on stocks as collateral, and these loans on stocks continued to be made until January 1837 when by resolution they were discontinued and have not been made since on any description of public stocks. From January 1821 to January 1838 mortgages were made at interest rates of 6%, 5½% and 5% and at the last mentioned period the interest on all mortgages was fixed at 6% and continued until January 1844 when the interest of a large portion was again reduced to 5½% and 5%. During the last year however none have been made at lower than 6%. * * * No better proof of the undoubted character and availability of the mortgage loans can be given than that of the whole amount thus invested from the 1st of April 1818 to the 31st of December 1846 viz: $2,746,615.10 not one cent of the principal has been lost by the Society; that when large payments on account have been required by the demands of depositors they have always been

promptly met by the borrowers, and indeed have been at one period the only available fund to meet these demands, and that the accrued interest has always been paid with punctuality and is now all paid."

In January 1848 he directed the attention of the Board to the large amount of specie that had been received from depositors during the preceding year, being more than one third in gold and silver and "showing the large proportion of specie in circulation among the depositors." A year subsequently referring to the same subject he said that in the years 1834, 1835 and 1836 "the period antecedent to the suspension of specie payments by the banks of this State" the amount of gold and silver received "was only in the proportion of about one half to that of the amount of specie at present received from them." Alluding to the punctuality with which mortgage interest was always paid a naive suggestion was thrown out, that it was promoted "by always making demand as the interest becomes payable, and whenever there is a default continuing this demand, if necessary, before the sense of responsibility has had time to abate or temptation to misapply the means of payment." In June 1850 the list of mortgages showed by far the bulk was secured in the district from Pine to Arch and from Front to Fourth Streets although some by properties in the Northern Liberties, Kensington, Southwark, Roxborough, Germantown, Moyamensing and Kingsessing.

The net results for the decade were five plus years and five minus, an increase of nearly $700,000 in balance due to depositors and of 2,500 accounts. On the investment side there had been a resumption of purchases of United States loans in the form of Treasury notes; Pennsylvania State loans had been reduced to less than $100,000; Philadelphia City loans to about $30,000 while mortgages had steadily increased and of the total assets of $2,100,000 amounted to $1,760,000.

The next decade is memorable in financial and business circles by reason of the panic of 1857 and the disturbance of 1860 no doubt due to the prospect of civil war. The trouble began in 1854 and was spoken of as the most serious since 1837. "In the United States the money market and share market were feverish and unsettled from the panic of 1854 until that of 1857. There was

no real interval between the two. The leading features of this crisis were that it was world wide, very sharp and sudden and quickly over. The crisis was a very severe one, but it was only a halt in the course of rapidly advancing prosperity. It may be added that it was also especially a banking crisis. The year 1860 will long be remembered as one of the most extraordinary of the century in its commercial and financial features. At the beginning of October there was a very active bull market for stocks. In November a contraction of credit took place. On the 20th and following days the banks of Virginia, North Carolina, Georgia, Charleston and St. Louis suspended. They were followed by those of Baltimore and Philadelphia. At the last City there was an important run on the banks."*

On the whole it was a high water period for the Society as accounts doubled, and the balance due depositors and Contingent Fund more than doubled. These were years however under the act of 1851 which had removed all restrictions on the aggregate of deposits the Society could take.

Investments showed a slight increase in United States, Pennsylvania State and Philadelphia City loans while the mortgage line was almost doubled. There were seven plus years and three minus years, the latter being 1854, 1855 and 1857. At the January meeting 1851 the President stated that from 1835 to 1850 inclusive of both years the average receipts exceeded the average payments only in the two years of 1837 and 1838. They have never since done so down to the present time. Reasons naturally occur to the mind to account for this anomaly but as in subsequent years there have been repetitions of all kinds of financial, industrial and commercial conditions, on close analysis they are far from convincing. At the same meeting he referred to the interest rate on mortgages which had been 6% for the preceding four years. Speaking of the conflagration that took place on July 9th, 1850, he drew attention to a peculiar circumstance in that the fire commenced in "the brick store on which the Society holds a mortgage for the sum of $25,000, situated on the East side of Water near to Vine Street, and extended to the two three story brick stores on the East side of Delaware Second Street, near to Callowhill Street,

* History of Banking in All Nations, Vol. 1, pp. 424 to 457.

on which the Society also holds a mortgage for the sum of $6,000."

In January 1852 reference was made to the "contracted state of the monetary system" during the past six months, and in January 1853 to the approximate two-fold increase in deposits since the removal of the restriction on deposits.

Attention was directed to the market value of public loans, for the first time in excess of the cost, by over $4,000.

A year later added stress was laid on the importance of the Contingent Fund which was still under 10%. Reference was made to the New York law requiring Savings Banks to keep at least 10% "and it may be added, that such a surplus is fully demanded, and gives increased confidence to the depositors for the security and safe return of their deposits, and is deemed by them as has been often remarked in the annual reports of these institutions in Europe, of more importance than the rate of interest allowed." The interest on mortgages was still 6%.

In January 1855 public loans were said to show considerable depreciation "on account of the embarrassed condition of the monetary affairs of the Country." It was also stated that the stringency of the money market had necessitated the call of a small percentage of mortgage securities, "inasmuch as the public loans and stocks held by the Society were unavailable, except at a great loss," and that notwithstanding the stringency the calls on mortgages, with few exceptions were promptly made. At the January meeting 1856 a new President made the annual report and said that twice during the year it had been necessary to resort to the mortgages to meet the demands of depositors and suggested that the cash reserve should be strengthened keeping one half in bank and the other half in the vault. He stated the objection to calling for payments on mortgages was that it impairs the preference of the Society by those seeking loans and recommended the resumption of collateral loans.

At the November meeting 1857 the question arose as to the applicability to this Society of the act of October 13, 1857, "for the resumption of specie payments by banks, and the relief of debtors." The point under consideration was this: The act of 16 April 1850 by its terms applied to every bank and saving bank thereafter created, or re-chartered, or the charter of which should

thereafter be extended or renewed, by any special act, and it provided that it should be unlawful for any such bank to issue or pay out any bank notes, other than those issued by itself payable on demand in gold or silver, or notes of specie paying banks of this State taken on deposit or in payment of debts at par, or Relief Notes,* and that any violation of the act should work a forfeiture. By the act of November 6, 1856 the preceding act was extended to all incorporated banking, saving fund, trust, and insurance companies from and after the first of the following July. The act of October 13, 1857, suspended the forfeitures of the acts of 1850 and 1856 to the second Monday of April 1858, contingent on an acceptance of its provisions by a vote of a majority of the stockholders. The opinions of Messrs. Meredith and Williams was presented holding that the Society was subject to the act of 1850 as extended by the act of 1856, and therefore must accept the provisions of the act of 1857 in order to avoid forfeiture. The opinion of the Solicitor was contra and in this connection the President stated that in conformity with the wishes of many of the Managers he had asked for Mr. Binney's opinion, "who informed him that he had ceased to give professional opinions, but that in this case, his interest in the Society would induce him to investigate the matter and express his opinion thereon. Accordingly in an interview this morning, Mr. Binney authorized the President to say, that in his opinion the acts of 16 April 1850, and of 6 November 1856, did not apply to The Philadelphia Saving Fund Society, and that no action on their part was necessary in relation to the act for the resumption of specie payments of 13 October 1857." In view of the doubt thus cast upon the Society's duty the Board passed a contingent resolution accepting the act of 1857 if included within its provisions.

In November 1858 the Board was disturbed by the opinion of a Court of a "neighboring State" that a policy of insurance transferred to a mortgagee as collateral for a loan is annulled by an assignment of the premises made by the owner subsequent to the execution of the mortgage without notice of such assignment within sixty days to the company and endorsed upon the policy,

* Small notes for five years issued under act 1841: some still outstanding in 1860. History of Banking in All Nations, Vol. 1, pp. 343 and 361.

as this was contrary to the practice in Pennsylvania. If such a decision had been rendered in Pennsylvania it would have invalidated in many cases the policies held by the Society. One of the local companies asserted its right to claim an exemption "from the payment of loss under the principle stated." A special committee, having the matter in charge, stated that the number of such policies with such provision was so large that they had not thought it advisable to require mortgagors to change them, but they recommended policies should not thereafter be accepted unless they should contain a special waiver of such defense or unless the companies would acknowledge their liability although the property had been sold without notice, and the Board resolved accordingly.

On January 1, 1860, the President referred to the large deposits of the preceding year and the consequent reduction in surplus and laid before the Board a statement of the growth of the Society which was summarized at the outset of our remarks on this decade. He was however speaking at the beginning of a remarkable year, to which reference has already been made. In so far as the Society was concerned it was not disastrous as receipts exceeded payments for the first ten months although in the last two they fell off sharply while payments assumed large proportions. The year however closed with a small plus.

The next decade was a memorable one in the history of the Country: it was the period of the Civil War, vast issues of Government bonds, suspension of specie payments, demoralization of business, failures, and subsequent inflation. At the January meeting 1861 the President spoke of the prospects for the present year as being "by no means encouraging." In April, May, June and October the Board authorized large conversions of securities to meet the demands of depositors. By June the General Deposit Account had fallen since the first of the year about 35%. The story of this year was graphically described by the President at the January meeting 1862 as follows: "An anomalous state of affairs in which the derangement in the demand for labor, the fluctuation in the value of property, and the apprehension of depositors of savings institutions, produced such a demand upon these societies as few of them were able to meet. Their failure increased the general excitement and led to an unparalleled drain

upon our means, so that in a single month the payments were about $800,000 more than the receipts from depositors. The panic continued, varying however in degree during the Spring and Summer, and was succeeded in the Autumn by a withdrawal of deposits for investment in Treasury notes. The Society has been subjected, during the past year, to an ordeal of great severity, through which it has passed without diminution of security to depositors, and it is believed, without any loss of public confidence. Notwithstanding the indispensable loss in the sale of its securities, at no previous period has it possessed its present strength. The deposits have been reduced nearly $2,000,000 —the deposit line being now about the same as in January 1852, but the surplus fund then stated at $230,567 is now estimated at over $422,000 showing an increased surplus in ten years of over $191,000." He stated that during the year public stocks amounting to $875,000 and mortgages amounting to over $1,057,000 had been sold to meet the demands of depositors at a loss of $115,000. The number of accounts diminished by over 8600.

Referring at the January meeting 1867 to the panic of 1861 the President made a statement which has a proper place here. He said:

"It may be interesting, if not instructive, to recur to the panic of 1861, when the Society was actually stronger at the close of that excitement than at the beginning. This might seem paradoxical at first view, but it is nevertheless a fact, the deposit account having run down in a much greater ratio than the Contingent Fund. I take pride in removing an impression, which most inexplicably to me a portion of our Board have entertained, in respect to the manner in which the Society was sustained at that memorable period. It has been asserted that we appealed for assistance to the Philadelphia Bank, and through its aid and that of Bishop Wood of the Catholic Church, whom it is alleged we sent for, in order that he might restrain a portion at least of his alarmed and infatuated people, the Society was carried through its perilous trial.

"Now the facts are that we did not ask, receive or need any accommodation of any bank, whatever, though I have no doubt most of these institutions, if not all, would with alacrity have rendered us assistance had we required it. Nor did we send for

the eminent and worthy Prelate referred to, or any other clerical gentleman to help us in this hour of our greatest need. The Society met all its obligations on demand entirely through the negotiation of its own securities; and as the money was realized from these, without any serious sacrifice, evidence was afforded that a sound judgment had been exercised in their purchase by the Board and the Committee of Investment, acting under its authority."

At the January meeting 1864 he strongly urged the authorization of loans on collateral to consist of United States, Pennsylvania State and City of Philadelphia bonds which the Board acceded to.

No better commentary on the relative changes in real estate values that have taken place since that meeting can be made than his statement that house and lot No. 1920 Spruce Street charged at $2,687.10 had just been sold for $2,800, and that house and lot No. 415 S. 2nd Street, below Pine Street, had been charged at $6,618 at which it had recently been purchased at forced sale. In April the collateral list was extended to include Pennsylvania Railroad, Lehigh Valley Railroad, Philadelphia & Reading Railroad and Lehigh Coal & Navigation Company bonds which are mentioned simply because they were the first railroad securities authorized to be dealt in either by way of collateral or purchase. In the early days some investments had been made in Canal Loans which were all closed out in 1858. In his annual report to the Board in January 1865, almost at the close of the Civil War, after reviewing the condition of the Society the President was able to say, "It is thus seen that at a period characterized for the first time by a civil war of unusual extent and severity, our Institution has experienced unalloyed prosperity." On January 1, 1866, General Deposit Account showed a slight increase for the five years; accounts a slight decrease; United States loans a large and Pennsylvania State loans a small increase; Philadelphia City loans and mortgages a falling off, the increase of $1,400,000 in assets being largely due to United States loans.

In January 1869 the President informed the Board that the Society's surplus placed it in advance of any other similar institution of which he had knowledge and the Superintendent of Savings Banks of New York, after some correspondence, had expressed a desire and intention of correcting an error in reporting to the

Legislature of New York in the preceding January that the Savings Banks of Pennsylvania dealt in promissory notes, and that a large amount of protested paper of that character remained in their possession, explaining that his statement was inadvertently founded on the annual reports to the Auditor General of Savings Banks of the nature of joint-stock corporations.

A year later he gave his opinion that the Supreme Court of the United States would probably in a few weeks decide the Legal Tender Act as unconstitutional as to contracts entered into before its passage, and that he would therefore recommend not increasing investments for the time being in case that such a decision should induce depositors to demand payment in coin or its equivalent. It was a very good prognosis in so far as the action of the Court was concerned which in the following month rendered such a decision. There is nothing to show that the fear as to the action of the depositors was justified, but in the following August the Board took advantage of the decision by instructing the Treasurer, until further notice, to decline to receive the principal of any mortgage, made prior to the passage of the Legal Tender Act, except in gold or its equivalent, but authorizing him to receive the interest on the same in United States currency. This order was revoked May 4, 1871, no doubt due to the second decision on the Legal Tender Act, which reversed the former.

There had been eight plus years, and two minus which were 1861 and 1865. Accounts increased over 13,000 and General Deposit Account more than doubled. There had been a large increase in United States and Pennsylvania State loans and a decrease in Philadelphia City loans while mortgages which had been reduced to a little over $2,000,000 on January 1, 1866, had risen again to upwards of $5,500,000: they were still by far the preferred investment.

In 1869 the annual limit for each depositor had been raised from $200 to $500 which, of course, had much to do with the increase in General Deposit Account.

In the period from January 1871 to January 1881 culminated all the evils due to expansion, contraction and panic, largely a heritage from the Civil war and the long period of unwise banking which had marked the financial history of the Country. It is true

that the National banking system had gone into effect and State issues had been taxed out of existence, but the Country was still on a paper basis which was at last terminated by the resumption of specie payments in 1879. To the Society it was a time of immense development notwithstanding the crisis of 1873 through which it safely passed.

In 1871 the Society made its first and last investment in a steamship company loan. The Board had been asked to subscribe to the loan of the new European steamship line. The Solicitor advised that it would be ultra vires. The Legislature then, as of March 14, 1871, passed a law authorizing Savings Institutions and Trust Companies to invest any portion of their surplus funds in the purchase of the bonds of the American Steamship Company of Philadelphia, whereupon the Board subscribed to $30,000 of the bonds which nine years afterwards were paid in full. In January 1872 the advisability of putting a larger portion of the assets of the Society in readily convertible securities, instead of having three fourths of them in mortgages, was strongly urged on the Board. It was stated that fifty per cent. in mortgages would be sufficient, and in this connection the President submitted a draft of a supplement to the Charter enlarging the scope of investments, which had been drawn by the Solicitor and which was authorized to be submitted to the Legislature for enactment. This was the act of 1872 which has been commented on in the chapter on Legislation. In conformity with the power conferred the mortgage line during the year 1872 was allowed to fall off $150,000 while investments in bonds including railroad loans increased $1,285,000.

At the August meeting 1872 the purchase of $75,000 Philadelphia & Reading Railroad Company Consolidated 6's was approved by the Board. Special attention is due to this as it was the beginning of an entirely new policy by the Managers and one in which this, and perhaps two other large Saving Funds in the Country have taken the lead. From this period railroad loans quickly became the principal investment of the Society. The inconvertibility of mortgages when the enlargement of the investment field, by reason of the rapid railroad and industrial development of the Country, offered vast quantities of other

attractive securities; the value of an exchange market with readily obtainable quotations; the ever increasing intrinsic worth of underlying bonds and growing financial responsibility of the largest and best managed railroad corporations, all conduced to making their loans a most desirable addition to the Society's assets. There has never been cause to regret the policy begun in 1872 as with few short lived exceptions there has not been a default in interest on any railroad bonds held by the Society, and not a single default in the payment of principal.

In the latter part of 1873 special meetings of the Board were called to provide means to meet the sudden demands of depositors, at which United States, Pennsylvania State, City of Philadelphia loans and mortgages were authorized to be sold, and the President and Committee of Investment were authorized to buy and sell securities, including gold, currency and clearing house certificates, and to do such other acts as in their judgment might be necessary for the safety of the Institution. In view of the serious situation a special Committee of Finance was appointed to act in conjunction with the Committee of Investment. In October this Committee of Finance reported that they had authorized the purchase of United States currency which it was said could be had at a premium not exceeding 8%, and that they had appointed a sub-committee to proceed to Washington to confer with the President of the United States and the Secretary of the Treasury with the view of exchanging United States bonds for currency or gold on the best possible terms. They then submitted the following report of the sub-committee:

"The Committee appointed by the Finance Committee to proceed to Washington, to confer with the President of the United States, and the Secretary of the Treasury in order to secure the exchange of United States securities for currency or gold, on the best possible terms, report that they were received as kindly as possible by Gen. Babcock who immediately admitted them to an interview with the President, and Secretary Richardson, and after stating their proposition, which was listened to with great courtesy, it was absolutely declined, as the Treasury could not entertain new requests for special aid; but in consideration of the representations made by The Philadelphia Saving

Fund Society that they applied to have their bonds purchased before the order closing bond purchases was issued, an order was placed in the hands of the Committee, addressed to Geo. Eyster, Esq., Ass't Treas. U. S., Philadelphia directing him to purchase of the Society, any amount of the U. S. 5–20 loan, not exceeding Five hundred thousand Dolls., paying the principal only, and leaving the settlement of premiums and interest to the Treasury Department."

The Treasurer was directed to receive currency only on deposit.

The President in January 1874 submitted a review of the recent experience and a comparison of that with the panic of 1861 which, while somewhat long, is so well told that it is presented in his own words as follows:

"These tables, (tabular statements) interesting at all times, are especially so now, in view of our memorable experience, in the past year. The rapid increase in the deposit line, was not only suddenly corrected, but simultaneously with it, a formidable drainage upon the existing deposits of the Institution was created. In a state of an apparently remarkable degree of prosperity, there arose in New York more or less embarrassment in the condition of sundry railroad corporations, and serious distrust in regard to the houses connected therewith. This state of things prevailed at the beginning of September but did not seem to awaken any particular attention in our own City. New York had, too often, exhibited like occurrences, to create either surprise or alarm among our own people. The failure of Jay Cooke & Co., on the 18th of that month, however, clothed the subject in a new aspect, and affected the nerves of our community, as they had not been affected for many years previous, and yet such was the confidence felt in our own immunity from disturbances, that we gladly followed the example of other institutions, in rendering substantial aid to the Fidelity Insurance, Safe Deposit & Trust Company, which on the day following the failure of the firm mentioned, experienced a heavy demand upon its large deposit line. On Monday 22nd of September, four days after the suspension alluded to, and a single day after the religious and social gatherings of many of our depositors, it became evident,

that notwithstanding the confidence felt in our Institution to respond with promptitude to every demand made upon it, it was not to be exempt from a share in the general distrust that existed in regard to all institutions of the nature of ours. Thus the notices for payment, given on the 18th of September amounting to $28,847.90 were augmented to $132,050.34 on the 22nd of that month; a week thereafter, they were further increased to the amount of $143,547.57. Under these circumstances, it behooved the Board to hasten the realization of currency from those securities, in our possession, most available for the purpose. The minutes show that successful efforts were made to this end: and now in taking a retrospect of the labors of the Managers, it is equally a compliment to their judgment and ability that what was done was the best thing that could have been done. Every depositor was paid in currency as he demanded it; no one was called upon to wait longer than the two weeks provided for in the Charter. Contrasting the business for eleven months preceding the 1st of December, 1872, with the same period in '73, at the expiration of which the panic had entirely subsided, we have the following result.

1872	Dec. 1	Receipts to date	$4,251,223.05
		Payments	3,395,274.54
		Plus	$855,948.51
1873	Dec. 1	Payments to date	$5,036,687.38
		Receipts	3,866,088.89
		Minus	$1,170,598.49
		Plus 1872	855,948.51
		Total dif.	$2,026,547.00

"The panic, if such it may be called, with reference to The Philadelphia Saving Fund Society, was mainly manifested by the new depositors, especially the Germans and Italians, who were scarcely long enough domiciled here to know anything of the history and character of the Institution. Comparatively, the alarm that prevailed among the depositors was confined to an inconsiderable portion; thus on the 1st of September the number was 44554 and on the 1st of December following it was 41190 amounting to a reduction of less than 8% of the whole

number. The Contingent Fund at the first period amounted to $736.099.01 and at the last stood at $778.263.64 showing that notwithstanding $30,000 was expended for currency, there was an increase of $42.164.63 to the Fund. This however, was but an apparent gain since the sales made of the principal securities, at a premium, were of such as were charged on our books at par though costing considerably more. The deposit account was reduced a fraction less than 12% during the period referred to. The proportion of deposits to depositors on the 1st of Sep. was $250,30 and on the 1st of Dec. $237.69. That of the Contingent Fund to deposits at the first mentioned period was $16.72 and at the last $18.90. This so called panic was of a peculiar character, and without a parallel probably in the history of the world. The operations of the whole business community seemed to be paralyzed from a want of a circulating medium, which suddenly disappeared into hidden and inaccessible repositories. Paper money was hoarded up as quite as precious as gold and silver, and the banks ceased to pay it out except in very small portions. The market for the sale of public loans, as even for the sale of shares of stock, almost ceased, and the Stock Board of New York closed its doors for a time, partly from the inability of sellers to command payment in a satisfactory medium. It is interesting to compare the late panic with that of 1861 in its effect upon our Institution and the means by which it was enabled to triumph over the emergency. It was apparent from the commencement of the recent troubles, that no money could be raised on our mortgages and but a limited amount from other forms of individual indebtedness: our main reliance for relief seemed, at the beginning, to consist in the sale of our public loans, which was happily effected without much sacrifice on either of them. Government loans were disposed of at a rate (premium) slightly exceeding 10% and State loans at a small advance also, on the par value, whilst City loans were sold at a reduction of about 1% upon their cost which was at par. In the panic of 1861 mortgages were freely purchased of the Institution at par by capitalists who seemed to have more confidence in them than in the Government issues, while City loans were sold at near 20% and State loans near 30% below par. Our deposit line ran down

50% and our Contingent Fund 20%. This panic was caused by the failure of the National Safety Fund (situated in close proximity to our Office) and the burning of sundry bridges between this City and Baltimore at the commencement of the war. These late untoward events in our financial history suggest some deviation as politic in our action, as regards the investment of our funds. I have shown that whilst mortgages were the most available of our securities in 1861, they were the least so in the late panic and that the public loans sold at an enormous sacrifice at the former period were sold in the aggregate above par in the recent action. We are further instructed that it would be wise to lessen the amount each individual is allowed to deposit in the course of the year, and that the Institution should, at a suitable time, have an act passed by the Legislature entitling it to the same protection enjoyed by similar institutions elsewhere, in greater time being allowed than is allowed by the two weeks' notice, to meet the sudden demands of the depositors.

"It is due to the depositors to record, that notwithstanding the large number of them who assembled in the Office during the late excitement, forming a line extending from one extremity of the Banking building to the other, the utmost order, good humor and patience prevailed."

The incident in connection with the Fidelity Trust Company was gracefully closed by the following letter from its Secretary:

"It affords me great pleasure to communicate, as instructed by our Board, the following resolution, adopted by them:

"Resolved, That the Board of Directors desire to record upon their minutes their grateful sense of the generous aid rendered to this Company during the recent panic, by The Philadelphia Saving Fund Society: and also to express to the President and Directors of that corporation hearty thanks, not only for the ready and liberal advance of loans which they afforded, but especially for the good will and confidence, which enhanced the obligation thus conferred."

The "peculiar character" of "a want of a circulating medium" vividly recalls similar subsequent experiences in 1893 and 1897, not to speak of the last and most stringent of all, immediately following the beginning of the present great war in Europe.

The suggestion as to lessening the annual amount of deposit allowed to each individual and the desirability of Legislation authorizing a more extended notice were met January 1, 1876, by reducing the former from $500 to $300 and by ammendments to the Charter granted by the Common Pleas in 1882 and 1885 under which deposits shall be repaid when required, after two weeks' previous notice, when the sum demanded shall not exceed $100, and after such notice as may be prescribed by the regulations, not exceeding sixty days, when the sum demanded shall exceed $100. It has always been the practice of the Society to pay on two weeks' notice and in no emergency has it required more. While there have been periods of abnormal withdrawals of deposits there has never been a run on the Institution in the real sense of the term. Conservatism induced by the recent panic (1873) caused the Board to again restrict collateral for loans to United States, Pennsylvania State and City of Philadelphia bonds, but this action was rescinded a year later when a liberal list of collateral including City, State and Railroad loans was approved.

The year 1877 had also brought its anxieties. At the January meeting 1878 the President said:

"Whilst our payments have, from obvious causes, exceeded our receipts for the year to the extent of $314,000, the number of depositors increased during the year to almost 2,000.

"Under the still gloomy aspect of business affairs, and the necessity of the greatest caution being observed in the management of loans, and investments, it is a source of extreme satisfaction to know that we have almost $5,000,000 of such securities as might be rendered promptly available to meet a sudden emergency, besides an additional million in cash and more than half a million in temporary loans readily realizable in money. In short one half the amount of our liabilities might be met in this way within less than a fortnight after demand." A year later he stated that money was readily obtainable on first class mortgages at 5% for a term of years and then added: "The resumption of specie payments has happily been inaugurated under the most favorable auspices inspiring us with the hope that the long period of depression is at length passing away, and

that as most persons of intelligence and business feel already there is a change for the better, that times will indeed be better, especially since so much of the return to prosperity depends upon public confidence."

At the November meeting 1879 it was deemed expedient to reduce the rate of interest to depositors from 4 8/10% to 4% in view of the large amounts of uninvested deposits on hand from time to time during the past years, increased by the payment of many mortgages and other loans; and in view also of the impossibility of procuring investments, both safe and legal, to yield the rate of interest theretofore paid to depositors, as well as of the fact that many mortgagors had demanded a reduction in the rate of mortgage interest to which the Society had been obliged to accede in order to prevent payment of the principal. In the following October it was decided to reduce the rate of interest to depositors to 3%.

The net results of the period were three minus years, 1873, 1874 and 1877; an increase of more than $10,000,000 in General Deposit Account; and of over 35,000 in accounts. United States loans increased more than $4,000,000; Pennsylvania State loans over $1,200,000; Philadelphia City loans about $750,000 and railroad loans had gone from nothing to nearly $4,000,000. Mortgages decreased more than $1,300,000.

Taking time here for a very brief review, it is apparent that from the beginning of the Society to the beginning of the Civil War mortgages had been the mainstay of investments at varying rates never exceeding 6%, and notwithstanding that in some periods public loans had been available to meet deposit liabilities: that after the credit of the State had been re-established, and beginning with the war, the ratio of mortgages to United States, Pennsylvania State and Philadelphia City loans largely decreased so that in 1881 United States loans constituted the largest single item of investments. During the whole period we have seen wide fluctuations in the price of public loans.

Down to the time of the resumption of specie payments one of the most perplexing problems that financial institutions and the public had to deal with was the currency.

The autonomy of the States, and the results of many different

sources of regulation, or no regulation, led to a medley of bank issues, easy to counterfeit, difficult to appraise, but nevertheless constituting the great volume of the circulation of the Country. The inauguration of the National Banking system was a great step in advance in so much as it brought about a uniform currency based on the credit of the Nation, but as even the Government had suspended specie payments the banks redeemed their notes in Government notes, and the former in gold value therefore rose and fell with the latter.

It is interesting to note in the records of the Society the careful stress laid on specie. For years in the forties and fifties the cash of the Society was stated as "bank balance; specie in vault and bank notes in vault," while from 1846 to 1854 a special column was kept for the specie received from depositors. Thus within the period designated the gross receipts from depositors was $5,833,000 of which $2,479,000 was specie. The respective amounts of gold and silver are not noted but we know that from 1820 to 1834, under the act of 1792 which fixed the coinage ratio at 15 to 1, the market value of silver in a dollar being less than its relative coinage value, for a greater portion of the period gold was practically driven from the mints and circulation; and that under the act of 1834, which changed the ratio to 16 to 1 and was intended to correct the former tendency which it failed to do because the gold value of silver had appreciated, and although the act of 1837 reduced the weight of the silver dollar, the relative amount of silver minted and in circulation for most of the time was very small. During the trying period from 1837 to 1842, when the Country was in the throes of a financial revulsion, all coinage was reduced to a minimum, but thereafter the mintage of gold increased reaching its culmination in 1850–3, due largely to its discovery in California; and though continuing until the outbreak of the Civil War, the suspension of specie payments and paper issues of that period drove it out of circulation to remain in hiding until the Resumption Act of 1879. At the January meeting, 1852, the President referred to the stringency in the money system and stated that "the amount of gold and silver had been steadily increasing, at least seven eighths of the specie having been in gold; exactly the reverse of three and more

years ago when silver exceeded the gold in very nearly the same proportion."

Under the Legal Tender Act the extinction of even the token fractional silver from circulation was almost complete. except of course at a premium.

Even during the suspension period the United States Government paid the interest on its obligations in gold, or its equivalent, and the Society was enabled to sell the gold derived from this source and from the interest on its Pennsylvania State bonds at a premium, realizing therefrom in the years 1863–8 over $162,000.

This was a practical illustration of the so-called Gresham law in accordance with which where two or more kinds of currency are legally constituted to be interchangeable at ratios at variance with their market value the more precious currency will retire from circulation. In the campaign of 1896, when the Country was threatened with free silver at a ratio to gold of 16 to 1, the market ratio being nearer 32 to 1, there appeared in the fugitive literature of the day some homely little verses which are worth preserving because the *isms* of currency inflationists while often downed are seldom killed, and because the wholesome lesson they teach may perhaps be taken to heart by some of the Society's depositors at a future time. Moreover they relate to a matter which we have seen greatly perturbed the Managers and as to which they were constrained to take action:

"If a dollar be a dollar—honest coin—without deceit—one may melt it, one may smelt it, but its value won't retreat.
Melt ten dollars—silver dollars—in unbiased melting-pot, and the silver 'slug' resulting only sells for 'five the lot.'
Melt gold dollars—melt an eagle in aforesaid melting-pot—and the golden slug resulting quickly sells for 'ten the lot.'
Will you tell me—kindly tell me—how these dollars equal are—if a little glowing furnace puts on only one a scar?
There was never yet equation that demanded legislation to establish right to be—an equation is equation—else it is a fallacy!
And I'm thinking—quietly thinking—that a poor man has poor sense—if he vote to have a dollar that will melt to 50 cents."

With the resumption of specie payments the long era of pernicious, uncontrolled and unscientific banking came to an end; by means of the Civil War the independent States had been consolidated into a Nation and by the grant of large powers the National Government thereafter assumed a control of all inter-state transportation and business which has completely revolutionized

the investment aspect of securities. While currency improvement has been a constant source of discussion, set at rest for the time being at least by the new Federal Reserve Law, there has been, however, in recent years no doubt as to the intrinsic merits of the circulation. With the completion of the great political and economic welding process that ended with the Civil War and the resumption of specie payments, the balance of the time of the Society's existence can be passed over in a brief review, merely referring to periods of unusual depression.

The largest annual increase of accounts down to 1881 took place in that year. It was more than 10,300. This has since been exceeded in several instances, in the year 1899 amounting to upwards of 15,300. In January 1885 attention was directed to the majority of minus months in the preceding year "showing the inability of the laboring class to save anything from their scanty wages." Two years later the President referred to "the acknowledged abnormal condition of the financial and laboring interests of the Nation." In January 1894 comment was made on "the financial stress of the last year and consequent currency stringency which was easily met by the resources of the Society. Of currency $300,000 was supplied by Drexel & Co.; $300,000 of the reserve of the Society was used and $1,500 was purchased. The sealed chest of $1,200,000 was undisturbed."

In January 1897 reference was made to "some anxiety on account of the unusual financial difficulties which beset the Country."

In January 1904 the President said, "In comparing the year 1902 with 1903 it is interesting to observe that while in the former year every month was a plus month there were five minus months last year, all of them subsequent to April when the demands for money began to be felt; and although the deposits increased $1,000,000 over 1902, the withdrawals were over $2,000,000 more than in that year." A year later he directed attention to the five minus months during the year 1904 and the depression in business and loss to the wage earner during that year.

With regard to the panic of 1907–8 he said at another time: "Not since the panic of 1873 has there been an annual loss in accounts at which time there was a loss of 1848 out of a total of 42,800 or 4 1/3%. In that of 1893 there was even a small gain of

543 accounts. The loss in the last panic of 1907–8 was 4516 out of 265,206 or 1 7/10%; less than one half of that in 1873."

Since that time there was an annual loss in 1914 of 649 accounts.

In the whole period there was not a single minus year. In the life of the Society there have been 75 plus and 25 minus years.

During this period all United States loans have been sold, as the fictitious value given to them by reason of their relation to the National Banking System did not warrant the Society in continuing to hold them. Pennsylvania State loans have disappeared from the list because the State has no debt. Public loans, however, including those of Philadelphia and other Pennsylvania Cities, and of other States and municipalities therein, on November 1, 1916, amounted to upwards of $37,600,000. More than $11,000,000 of this consisted of Philadelphia City bonds. Railroad loans, which on January 1, 1881, amounted to $3,721,906, on November 1, 1916, were upwards of $87,000,000. In the same period mortgages increased over $4,200,000 to $14,900,000. Collateral loans were at a high water mark about 1886 and are now no longer on the list. They were difficult to handle being always subject to substitution of securities and did not prove to be the most available asset in time of stress. A good substitute has been found for them by arranging in advance maturities of public and railroad loans from year to year. Even in panic times the makers of these obligations do not beg off. At the very top of the panic of 1907 this Society held $1,200,000 New York City Revenue loans which for its purposes were just as good as gold as they were promptly paid when due giving New York exchange at a time when it was commanding a premium in this City.

To further analyze the tables is unnecessary as they speak for themselves. There is however some fragmentary information which perhaps should be included before closing the chapter.

There have been twelve years in which there was only one minus month, viz., 1817, 1826, 1830, 1831, 1852, 1853, 1863, 1880, 1898, 1900, 1901 and 1905 and there have been two years in which there was only one plus month, 1837 and 1842. There have been fifteen years in which all the months were plus, viz., 1816, 1818, 1819, 1820, 1821, 1844, 1859, 1870, 1871, 1879, 1881,

1882, 1892, 1899 and 1902;* and only one year in which all the months were minus, 1861.

A partial examination of accounts opened at different periods from 1866 to 1916 shows an average of about 12% opened on marks; and a complete examination from 1887 to 1916 that 54% of the new accounts were opened by those born in the United States. It is evident therefore that many foreigners are among the depositors. The Society never turns any one away by reason of his nationality. This entails a force of interpreters such as perhaps no other institution in the Country feels obliged to maintain. There are four for Yiddish; three for Russian; three for Polish; two for Slavish and its dialects; five for German; three for French; four for Italian; two for Spanish and one each for Portuguese, Greek, Turkish, Serbian, Roumanian, Bulgarian and Lithuanian. This does not mean a force of interpreters of the size indicated as most of them speak more than one language. For instance, five speak two languages; two speak four; one speaks five; two speak six and one seven.

A glance at Table B shows the limitations that have been placed from time to time on individual annual deposits and also the rate of interest which has been allowed to depositors. Under the Charter, as it stands to-day, interest shall not be less than 3% per annum on five dollars or multiples thereof not exceeding $1,500. Up to $4,000 a rate not less than 2%, and over $4,000 of not less than 1%, per annum, may be prescribed by the Board. These are the minimum rates under the Charter but as a matter of fact the Society now pays interest at the rate of 3.65% per annum on all deposits; calculated by calendar months in case of withdrawals.

A glance at Table C shows the interest passed to the credit of depositors in ten year periods. To December 31, 1915, there had been received from them a total of $605,494,279.24 to which has been added interest amounting to $74,985,382.60 and making a grand total of $680,479,661.84; while there has been paid to depositors $554,957,340.25 leaving as of January 1, 1916, a balance due of $125,522,321.59 which on November 1, 1916, had been increased to $130,926,173.54.

*1916 promises to be the sixteenth year and to break all records in the amount received from depositors and the net addition to general deposit account.

DEPOSITS AND INVESTMENTS

TABLE C

Interest passed to the credit of Depositors.

			To December	31,	1825	$72,224.64
From January	1,	1826	"	"	31, 1835	359,331.47
"	"	1, 1836	"	"	31, 1845	471,874.60
"	"	1, 1846	"	"	31, 1855	815,807.41
"	"	1, 1856	"	"	31, 1865	1,595,283.90
"	"	1, 1866	"	"	31, 1875	3,645,143.81
"	"	1, 1876	"	"	31, 1885	6,302,746.02
"	"	1, 1886	"	"	31, 1895	9,413,026.18
"	"	1, 1896	"	"	31, 1905	16,972,890.44
"	"	1, 1906	"	"	31, 1915	35,337,054.13
			Total			$74,985,382.60

Received from Depositors since the Act of Incorporation to the close of 1915	$605,494,279.24
Interest accrued during the same time	74,985,382.60
	$680,479,661.84
Paid Depositors during the same time	554,957,340.25
Balance of General Deposit Account January 1, 1916	$125,522,321.59

If to some it seems that this chapter has been allowed to run too much into details, it may be said that they have been largely confined to such as relate to management and growth under varied and exceptional circumstances. The Society is a living organism with a continuing existence and consciousness of one hundred years through which it has necessarily accumulated a tradition, and wisdom from experience.

To recall the past is one of the processes of keeping alive and maintaining this continuity of tradition and experience.

While it is true that each age brings its own problems to be solved under new conditions and in the midst of new surroundings, still, the basic principles of sound economy and management are immutable.

"Knowledge comes but wisdom lingers."

The Society has been true to the aims, and more than fulfilled the expectations, of its founders. To this time it has successfully accomplished its mission: it was never so strong financially nor so well established in the life of the community as it is to-day. Perhaps there is room for some pardonable pride in reviewing with grateful satisfaction the past century, but it is in no spirit of boastfulness that it looks forward to the new era with a confidence begotten of faith in the institutions of the Country and the continuing need of the useful work in which it has been engaged.

APPENDIX I

Articles of Association

of the

Philadelphia Saving Fund Society.

1. This Institution, under the title of "The Philadelphia Saving Fund Society," is established for the sole purpose of receiving and investing in Government Securities, or other substantial Public Stock, such small sums as may be saved from the earnings of Tradesmen, Mechanics, Laborers, Servants and others; and of affording to industrious persons, the two-fold advantage of security and interest.

2. The Institution shall be conducted by a President and twenty-four Managers, who shall appoint a Secretary and Treasurer, and two or more highly responsible gentlemen as Trustees of the Funds.—The President to be annually elected by the Managers, on the first Monday in January.

3. The Managers shall have power to fill up by ballot, after notice of one month, any vacancy, which may occur in their own body, or in the number of Trustees, or other officers; four-fifths of the Members present, to agree to all new appointments.

4. No emolument whatever shall be received by the President, Managers or Trustees, for their services.

5. The money deposited shall bear interest at the rate of Four and Eight-tenths per cent. per annum, subject to the regulations hereafter specified, and the Capital shall be repaid with the interest when required.

6. The surplus of interest, after defraying the expenses of the establishment, shall be divided every three years, amongst the depositors, who have had funds lying to their credit for the preceding twelve months, in proportion to the amount of their deposits.

7. No sum less than One Dollar shall be received as a deposit; and no interest shall be allowed on any payments, until they amount to the sum of Five Dollars, the interest upon which will

be twenty-four cents per annum, or two cents per calendar month. Every additional sum of Five Dollars that may be lodged, will bear interest in the same manner.

8. Interest is to be estimated by calendar months, and in order to avoid the tedious calculation of days upon such small sums, no interest will be allowed, for the fractional parts of a month.

9. Two or more Managers shall attend at the Office of the Society, every Monday from nine to eleven o'clock, to receive deposits, and on Thursday within the same hours, to pay such sums as may be withdrawn. Two weeks' notice must be given to the Managers by the parties, previous to any money being withdrawn; and no money shall be drawn out under Five Dollars, unless to close the account.

10. The deposits and payments shall be regularly entered into the Books of the Office, and every person depositing money, shall be furnished with a duplicate of his or her account; in which every deposit or payment shall be regularly entered as soon as made. This duplicate must be brought to the Office every time that any further sum is deposited or drawn out; that the transactions may be regularly entered; and it shall be renewed at the commencement of every year; the amount of the balance and interest due, being transferred to a new duplicate, and a corresponding entry being made in the Books of the Institution.

11. A cash book and ledger shall be kept at the Office, in which the deposit money and payments shall be immediately entered. The cash book shall be regularly balanced every Monday and Thursday, and the Managers present shall pay over the balance into the hands of the Treasurer, taking a receipt therefor in a book kept for the purpose, to be placed in the hands of the President.

12. The amount in the Treasurer's hands shall never exceed Two Hundred dollars, and shall always be subject to the order of a majority of the acting committee for the time being. At the close of the business on each Monday and Thursday, the Treasurer shall deposit the amount then in his hands, in one of the incorporated Banks of the city, in an account to be opened with him as Treasurer of the Institution.

13. A list of the Managers and of their appointed days of attendance shall be placed in the Office; and every Manager who may be prevented from serving in his turn, shall find a substitute, being a Manager, for the day.

14. A book shall be kept at the Office, in which every depositor shall be at liberty to appoint some person or persons, to whom, in the event of his or her death, the money shall be paid, if not otherwise disposed of by will.

15. No sum of money deposited with this Institution shall be transferable; nor shall any person other than the person depositing the same, or such persons as may be authorized in writing duly proved, be entitled to receive such deposits or interest; and in case of death, no payments of deposits or interest shall be made, except to the nominee or legal representative.

16. The Managers shall meet at least once in every month, and five shall be a quorum. The books, Treasurer's accounts, stock receipts, and other documents, shall be produced at such meetings, and if approved, the books shall be signed by the chairman.

17. The Managers shall be at liberty at any time to refuse deposits, and on giving one month's notice to return such as have been made, with interest thereon, to be calculated to that time and no longer.

Previous to making any deposit the depositor shall subscribe to these Articles, and every person depositing the sum of Five Dollars shall be entitled to a printed copy thereof.

18. A report shall be annually prepared by three Auditors, who shall neither be Managers or Trustees, chosen by the board; and such report shall be published in one or more of the City Gazettes.

19. The Trustees shall be at liberty to attend the meetings of the board of Managers, and to have free access to their books and papers.

20. The Trustees of the funds of the Institution, shall transfer so much of the said funds as shall not exceed One Thousand Dollars in each month, on the request of two of the Managers in writing, attested by the President or Secretary; transfers exceeding One Thousand Dollars in any month, must be authorized by the Board of Managers.

APPENDIX II

Proposed Act Incorporating The Philadelphia Saving Fund Society.

"Whereas a voluntary association of a number of the Citizens of Philadelphia and its neighborhood under the title of 'The Philadelphia Saving Fund Society' has for some time existed and has been established for the sole purpose of receiving and investing in Public Stock or substantial securities on real estate, such small sums as may be saved from the earnings of tradesmen, mechanics, labourers, servants and others, and of affording to industrious persons the advantages of security and interest: And Whereas the members of this Society have by their memorial to the Legislature prayed to be perpetuated and brought into legal existence by being incorporated and established by law, with perpetual succession for the purposes of receiving holding and improving, in such way as to them may seem proper all such real and personal estate as the said institution shall become possessed of or entitled to by gift, grant, devise, bequest, purchase, deposit, loan and payment for the purposes of the said institution Therefore

Sect. 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority aforesaid that Andrew Bayard, Samuel Archer, Richard Bache, Charles N. Bancker, Clement C. Biddle, Samuel Breck, Turner Camac, Reuben Haines, Thomas Hale, Adam Konigmacher, L. Krumbhaar, John McCrea, Samuel B. Morris, Isaac W. Norris, Richard Peters, Junior, Condy Raguet, Joseph Rotch, William Schlatter, Samuel Spackman, John C. Stocker, John Strawbridge, Roberts Vaux and John Vaughan and their successors forever be and they are hereby erected and made one body politic and corporate in deed and in law, by the name style and title of The Philadelphia Saving Fund Society, and by the same name shall have perpetual succession, and are hereby made able and capable in law to have purchase receive, take hold possess enjoy

and retain to them and their successors lands, rents, tenements, hereditaments, stocks, goods, chattels and effects of what kind nature or quality soever whether real personal or mixed, by gift, grant, demise, bargain, and sale, devise, bequest, testament legacy, loan deposit, or advance or by any other mode of conveyance or transfer whatever, and the same to give grant, bargain, sell demise convey assure transfer alien, pay, release and dispose of for the whole or any less estate or property than they have in the same, and also to improve and augment the same in such manner and form as the said Society by their by-laws and regulations, shall order and direct, and shall and may apply the same, with the rents, issues profits income, interest and profits of such estate and the monies arising from the sale alienation disposal or employment thereof to the uses ends and purposes of their institution according to the rules regulations and orders of their Society now in force, or which according to the provisions hereinafter made shall from time to time be declared touching the same, as fully and effectually as any natural person or body politic or corporate within this State by the constitution and laws of this Commonwealth can do and perform, and the said Society by the name style and title aforesaid shall and may sue and be sued plead and be impleaded, answer and be answered defend and be defended in all Courts of law within this Commonwealth and elsewhere, and also to make have and use a common seal, and the same to break alter and renew at their pleasure, and also to make establish ordain and put in execution, such by-laws ordinances and regulations, as shall to them or a majority of such quorum of them (as has already or shall hereafter be directed) seem meet or convenient for the government of such corporation not being contrary to the Constitution and laws of this Commonwealth, and generally to do and execute all and singular such acts matters and things which to the said corporation shall or may appertain, and be necessary for the purposes thereof, subject nevertheless to the rules regulations restrictions limitations and provisions herein prescribed and declared.

Sect. 2. That the following rules limitations and provisions shall form and be fundamental Articles of the Constitution of the Corporation.

ARTICLE I.

The Institution shall be conducted by twenty five Managers, who shall annually on the first Monday in January choose one of their number as President and shall have power to appoint a Secretary, Treasurer and such other officers as the business of the Corporation may require.

The seat of any Manager who shall have neglected to attend for three successive stated meetings may be vacated by the Board and any of the officers of the Society may be removed at the pleasure of the Board.

ARTICLE II.

The Managers shall have power to fill up by ballot after notice of one month, any vacancy which may occur in their own body or officers. Two thirds of the members present to agree to all removals and new appointments, no appointments or removal to take place when a less number than thirteen Managers are present.

ARTICLE III.

No emolument whatever shall be received by the President or Managers for their services.

ARTICLE IV.

The money deposited shall bear an interest at the rate of four and eight tenths per cent per annum, and shall be repaid with interest when required, upon two weeks notice.

ARTICLE V.

No sum less than one dollar shall be received as a deposit, and no interest shall be allowed on any payments until they amount to the sum of five dollars; the interest on which will be twenty four cents per annum or two cents per calendar month.—Every additional sum of five dollars that may be lodged will bear interest in the same manner.

ARTICLE VI.

Interest is to be estimated by calendar months, and in order to avoid the calculation of days upon small sums, no interest will be allowed for the fractional parts of a month.

APPENDIX II

Article VII.

Two or more Managers shall attend at the office of the Society, at such times as may be appointed by the Board of Managers, to receive deposits and to pay such sums as may be withdrawn. No money shall be drawn out under five dollars unless to close an account.

Article VIII.

The deposits and payments shall be regularly entered in the books of the office, and every person depositing money shall be furnished with a duplicate of his or her account, in which every deposit or payment shall be regularly entered as soon as made.

Article IX.

A Cash Book and Ledger shall be kept at the office, in which the deposit money and payments shall be immediately entered.

Article X.

A Book shall be kept at the office, in which every depositor shall be at liberty to appoint some person or persons to whom, in the event of his or her death, the money shall be paid, if not otherwise disposed of by will.

Article XI.

No sum of money deposited with this institution shall be transferable, nor shall any person other than the person depositing the same, or such person as may be authorised in writing duly proved, be entitled to receive such deposit or interest; and in case of death, no payments of deposits or interest shall be made, except to the nominee or legal representative.

Article XII.

The Managers shall meet at least once in every month, and five shall be a quorum. The books, Treasurer's accounts, and other documents shall be produced at such meetings.

Article XIII.

The Managers shall be at liberty at any time to refuse deposits, and on giving one month's notice, to return such as have

been made, with interest thereon, to be calculated to that time and no longer.

ARTICLE XIV.

A report shall be annually prepared by three Auditors who shall not be Managers or officers of the corporation, chosen by the Board, and such report shall be published in one or more of the Gazettes of the City of Philadelphia.

Sect. 3. That until the election of the officers aforesaid pursuant to this act the officers now elected and appointed shall be and continue officers of the said Society and also that this act shall in all things be construed in the most favourable and liberal manner to and for the said Society, in order to effectuate the privileges hereby granted to them, and that no misnomer of the said corporation in any deed testament or gift grant devise or other instrument or contract or conveyance shall vitiate or defeat the same, if the said corporation shall be sufficiently described to ascertain the intent of the party or parties to give devise bequeath assure to or contract with the corporation hereby created by the name aforesaid, nor shall any of the non uses of the said privileges hereby granted create any forfeiture of the same, but the same may be exercised by the said corporation and notwithstanding any failure to meet at any of the times appointed herein, or by the bye laws and ordinances of the said Society, to hold their annual or other meetings for elections or other subjects for consideration, the officers then in office shall continue to hold and exercise their respective offices until others shall be duly elected to succeed them at some future meeting of the said Society, which the said corporation is hereby authorized to hold for such purpose."

APPENDIX III

"An Act Incorporating The Philadelphia Saving Fund Society.

Whereas a voluntary association of a number of the Citizens of Philadelphia and its neighborhood under the title of "The Philadelphia Saving Fund Society" has for some time existed, and has been established for the sole purpose of receiving and investing in public stock or substantial security on real estate, such small sums as may be saved from the earnings of tradesmen, mechanics, labourers, servants and others, and of affording to industrious persons the advantages of security and interest: And Whereas the members of this Society by their memorial to the Legislature have prayed to be perpetuated, and brought into legal existence by being incorporated and established by law, with perpetual succession, for the purposes of receiving, holding and improving, in such way as to them may seem proper, all such real and personal estate, as the said institution shall become possessed of, or entitled to, by gift, grant, devise, bequest, purchase, deposit, loan and payment, for the purposes of the said institution.

Therefore

Sect. I. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That Andrew Bayard, Samuel Archer, Richard Bache, Charles N. Bancker, Clement C. Biddle, Samuel Breck, Turner Camac, Reuben Haines, Thomas Hale, Adam Konigmacher, Ludwig Krumbhaar, John McCrea, Samuel B. Morris, Isaac W. Norris, Richard Peters, Junior, Condy Raguet, Joseph Rotch, William Schlatter, Samuel Spackman, John C. Stocker, John Strawbridge, Roberts Vaux, John Vaughan, Daniel B. Smith and Matthew C. Ralston, and their successors forever be, and they are hereby erected and made one body politic and corporate, in deed and in law, by the name, style and title of "The Phila-

DELPHIA SAVING FUND SOCIETY," and by the same name shall have perpetual succession, and are hereby made able and capable in law, to have, purchase, receive, take, hold, possess, enjoy and retain, to them and their successors, lands, rents, tenements, hereditaments, stock, goods, chattels and effects of what kind, nature or quality soever, whether real, personal or mixed, by gift, grant, demise, bargain and sale, devise, bequest, testament, legacy, loan, deposit or advance, or by any other mode of conveyance or transfer whatever, the same to give grant bargain, sell, demise, convey, assure, transfer, alien, pay, release and dispose of for the whole or any less estate or property than they have in the same, and also to improve and augment the same, in such manner and form as the said Society by their bye laws and regulations shall order and direct, and shall and may apply the same, with the rents, issues, profits, income, interest and profits of such estate, and the monies arising from the sale, alienation, disposal or employment thereof to the uses, ends and purposes of their institution, according to the rules, regulations and orders of their Society now in force, or which, according to the provisions hereinafter made shall from time to time be declared touching the same, as effectually and fully, as any natural person or body politic or corporate within this State by the Constitution and laws of this Commonwealth can do and perform: And the said Society by the name style and title aforesaid shall and may sue and be sued, plead and be impleaded, answer and be answered, defend and be defended in all Courts of law within this Commonwealth, and elsewhere, and also make, have and use a common seal and the same break, alter and renew at their pleasure: and shall have power also to make, establish, ordain and put in execution, such bye laws, ordinances and regulations, as shall to them, or a majority of such quorum of them (as has already or shall hereafter be directed) seem meet or convenient for the government of such corporation, not being contrary to the Constitution and laws of this Commonwealth, and generally to do and execute all and singular such acts matters and things, which to the said Corporation shall, or may appertain and be necessary for the purposes thereof, subject, nevertheless to the rules, regulations, restrictions, limitations and provisions herein prescribed and declared.

APPENDIX III

Sect. II. And be it further enacted by the authority aforesaid, that the following rules, limitations and provisions, shall form and be fundamental Articles of the Constitution of the Corporation.

Article I.

The institution shall be conducted by twenty five Managers, who shall annually on the first Monday in January choose one of their number as President, and shall have power to appoint a Secretary, Treasurer, and such other officers, as the business of the Corporation may require. The seat of any Manager, who shall have neglected to attend for three successive stated meetings, may be vacated by the Board; and any of the Officers of the Society may be removed at the pleasure of the board.

Article II.

The Managers shall have power to fill up by ballot, after notice of one month, any vacancy which may occur in their own body, or Officers. Two thirds of the members present to agree to all removals and new appointments; and no appointment or removal to take place when a less number than thirteen Managers are present.

Article III.

No emolument whatever shall be received by the President, or Managers for their services.

Article IV.

The money deposited shall bear an interest at the rate of four and eight tenths per cent per annum, and shall be repaid when required, upon two weeks notice, with the interest thereon, to the time of such notice.

Article V.

No sum less than one dollar shall be received as a deposit, and no interest shall be allowed on any payments, until they amount to the sum of five dollars, the interest on which will be twenty four cents per annum, or two cents per calendar month. Every additional sum of five dollars that may be lodged, will bear interest in the same manner.

ARTICLE VI.

Interest is to be estimated by calendar months, and in order to avoid the calculation of days upon small sums, no interest will be allowed for the fractional parts of a month.

ARTICLE VII.

Two or more Managers shall attend at the office of the Society at such times as may be appointed by the Board of Managers, to receive deposits, and to pay such sums as may be withdrawn. No money shall be drawn out under five dollars, unless to close an account.

ARTICLE VIII.

The deposits and payments shall be regularly entered in the books of the Office, and every person depositing money, shall be furnished with a duplicate, of his or her account, in which every deposit or payment shall be regularly entered as soon as made.

ARTICLE IX.

A Cash Book and Ledger shall be kept at the Office in which the deposit money and payments shall be immediately entered.

ARTICLE X.

A book shall be kept at the Office in which every depositor shall be at liberty to appoint some person or persons to whom, in the event of his or her death, the money shall be paid, if not otherwise disposed of by will.

ARTICLE XI.

The Managers shall meet at least once in every month and five shall be a quorum. The books, Treasurer's accounts and other documents shall be produced at such meetings.

ARTICLE XII.

The Managers shall be at liberty anytime to refuse deposits, and on giving one month's notice to return such as have been made, with interest thereon to be calculated to that time and no longer.

ARTICLE XIII.

A report shall be annually prepared by three Auditors, who shall not be Managers or Officers of the Corporation, chosen by the Board, and such report shall be published in one or more of the Gazettes of the City of Philadelphia; and the Managers shall annually transmit one copy of the said report to the Speaker of the Senate and one copy to the Speaker of the House of Representatives.

ARTICLE XIV.

The Managers shall not receive deposits from any one person to a greater amount than five hundred dollars, in any one year, and the amount of the deposits received by the Corporation shall at no time exceed three hundred thousand Dollars.

Sect. III. And be it further enacted by the authority aforesaid, That until the election of the Officers aforesaid pursuant to this Act, the Officers now elected and appointed shall be and continue Officers of the said Society; and that no misnomer of the said Corporation in any deed, testament, or gift, grant, devise, or other instrument or contract or conveyance shall vitiate or defeat the same, if the said Corporation shall be sufficiently described to ascertain the intent of the party or parties, to give, devise, bequeath, assure to, or contract with the Corporation hereby created, by the name aforesaid. Nor shall any of the non-users of the said privileges hereby granted, create any forfeiture of the same, but the same may be exercised by the said Corporation; and notwithstanding any failure to meet at any of the times appointed herein, or by the bye laws and ordinances of the said Society, to hold their annual or other meetings for elections, or other subjects for consideration, the Officers then in office shall continue to hold and exercise their respective offices, until others shall be duly elected to succeed them, at some future meeting of the said Society, which the said Corporation is hereby authorized to hold for such purpose.

Sect. IV. And be it further enacted by the authority aforesaid, That if at any time the said Corporation shall misuse or abuse any of the privileges granted by this Act, or if it shall ap-

pear that the said privileges are injurious to the Citizens of this Commonwealth the Legislature shall have power to revoke and annul them at any time they may deem the same expedient.

Rees Hill, Speaker of the House of Representatives.

Isaac Weaver, Speaker of the Senate.

APPROVED the twenty fifth day of February one thousand eight hundred and nineteen.

Wm. Findlay."

APPENDIX IV

Amendments to Charter

A SUPPLEMENT TO

The Act entitled "An Act to Incorporate The Philadelphia Saving Fund Society."

Sect. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met and it is hereby enacted by the authority of the same,* That the managers of the Philadelphia Saving Fund Society be and they hereby are authorized and permitted, from and after the passing of this act, to receive, on deposit, any sum or sums of money, not exceeding three hundred thousand dollars, in addition to the amount heretofore authorized by law to be received.

Sect. 2. *And be it further enacted by the authority aforesaid,* That no manager, officer, or agent of the said Saving Fund Society, shall be allowed, directly or indirectly, to borrow any money or moneys, from the said society; nor shall the said society have, hold, or purchase, any notes, bonds, or mortgages, or other securities for the payment of money, drawn or endorsed by or existing against any manager, officer, or agent of the said Saving Fund Society.

Sect. 3. *And be it further enacted by the authority aforesaid,* That the chief justice of the supreme court, the presidents of the district court and of the court of common pleas, in and for the City and County of Philadelphia, shall form a board of appointment, of which the said chief justice shall ex-officio, be president; and all future vacancies in the board of managers of the said Saving Fund Society shall be filled by the said board of appointment, from a list of not less than five persons, to be presented to them, by the managers of the society, whenever a vacancy shall occur; and if the board of appointment shall not approve of some one of the persons on the list, another list shall be presented to them, of five other names, and so on until a majority of the board of appointment shall approve of a person to fill the vacancy. And it shall

be the duty of the said board of appointment, in the month of December, in each and every year, to appoint three discreet and reputable citizens, of the said city and county, whose duty it shall be, after being duly sworn or affirmed by some competent authority, to audit and settle the accounts of the said society, and, at the expense of the said society, to make out a statement of their accounts, one copy whereof shall be, by the said auditors, on or before the third Monday in February next after their appointment filed in the office of the prothonotary of the court of common pleas for the City and County of Philadelphia, and copies thereof shall also be transmitted by them, one to the speaker of the Senate, and another to the speaker of the House of Representatives of this Commonwealth.

SECT. 4. *And be it further enacted by the authority aforesaid*, That it shall be the duty of the president of The Philadelphia Saving Fund Society to forward to the speaker of the House of Representatives of this Commonwealth, on or before the first Monday of January, in each and every year, a statement under oath, or, affirmation, of the president and treasurer, showing the whole number of depositors on the books of the said society, on the first Monday in November preceding, and showing the number of depositors having sums in deposit, not exceeding ten dollars each, and how many depositors of from ten to twenty dollars, how many from twenty to fifty dollars, how many from fifty to one hundred dollars, how many from one hundred to two hundred dollars, how many from two hundred to three hundred dollars, how many from three hundred dollars to five hundred dollars, and how many of five hundred dollars, and upward.

SECT. 5. *And be it further enacted by the authority aforesaid*, That so much of any act of assembly as is hereby altered or supplied, be and the same is hereby repealed.

JOSEPH LAWRENCE,
Speaker of the House of Representatives.
WILLIAM MARKS, JR.,
Speaker of the Senate.

APPROVED—The fifteenth day of March, one thousand eight hundred and twenty-four.

J. ANDW. SHULZE.

APPENDIX IV

A FURTHER SUPPLEMENT TO

The Act entitled "An Act to Incorporate The Philadelphia Saving Fund Society."

SECT. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That the managers of The Philadelphia Saving Fund Society be and they are hereby authorized and permitted, from and after the passing of this act, to receive on deposit any sum or sums of money not exceeding Five Hundred Thousand Dollars in the aggregate, in addition to the amounts heretofore authorized by law to be received, anything in any act or acts of assembly heretofore passed to the contrary notwithstanding.

SECT. 2. *And be it further enacted by the authority aforesaid,* That from and after the passing of this act it shall not be lawful for the managers of the said society to receive deposits from any one person to a greater amount than Two Hundred Dollars in any one year; *Provided,* That nothing contained in this act shall be so construed as in any way to affect deposits which may have been heretofore made.

NER MIDDLESWARTH,
Speaker of the House of Representatives.

DANIEL STURGEON,
Speaker of the Senate.

APPROVED—The seventh day of February, A.D. one thousand eight hundred and twenty eight.

J. ANDW. SHULZE.

EXTRACT FROM

"An Act Incorporating the Northern Liberties, Kensington, and Spring Garden Saving Fund Society, and for other purposes."

SECT. 6. *And be it further enacted by the authority aforesaid,* That the managers of The Philadelphia Saving Fund Society be and they are hereby authorized and permitted, from and after the passage of this act, to receive on deposit any sum or sums of money

not exceeding Four Hundred Thousand Dollars in the aggregate, in addition to the amount heretofore authorized by law to be received, anything in any act or acts of assembly heretofore passed to the contrary notwithstanding.

SECT. 7. *And be it further enacted by the authority aforesaid,* That so much of the third fundamental article in the second section of the act for incorporating the said company, as declares that no emolument whatever shall be received by the president of the said Philadelphia Saving Fund Society, be and the same is hereby repealed; and the said president shall, and may, from and after the passing of this act, receive a compensation for his services, the amount whereof shall be fixed by the said managers.

APPROVED—The eighth day of April, A.D. 1833.

A FURTHER SUPPLEMENT TO

The Act entitled "An Act to Incorporate The Philadelphia Saving Fund Society."

SECT. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That The Philadelphia Saving Fund Society be and hereby is placed on the same footing in respect to the aggregate amount of deposits that may be received by them, as The Western Saving Fund Society of Philadelphia; and all provisions in any act of assembly relating to the said "The Philadelphia Saving Fund Society," inconsistent with this act, are hereby repealed.

JOHN CESSNA,
Speaker of the House of Representatives.

BENJAMIN MATTHIAS,
Speaker of the Senate.

APPROVED—The twenty-seventh day of February, one thousand eight hundred and fifty-one.

WM. F. JOHNSTON.

NOTE.—This supplement removes all restrictions on the aggregate amount of deposits.

APPENDIX IV

A FURTHER SUPPLEMENT TO

The Act entitled "An Act to Incorporate The Philadelphia Saving Fund Society."

SECT. 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That it shall not be lawful for the said "The Philadelphia Saving Fund Society" to receive deposits from any one person to a greater amount in one year, than Five Hundred Dollars, or than such less sum as the managers shall from time to time regulate by the by-laws, and the second section of an "Act entitled A further Supplement to the Act, entitled an Act to incorporate The Philadelphia Saving Fund Society," approved the seventh day of February, one thousand eight hundred and twenty-eight, is hereby repealed.

JOHN CLARK,
Speaker of the House of Representatives.

WILMER WORTHINGTON,
Speaker of the Senate.

APPROVED—The twentieth day of March, Anno Domini one thousand eight hundred and sixty-nine.

JOHN W. GEARY.

A FURTHER SUPPLEMENT TO

The Act Incorporating "The Philadelphia Saving Fund Society."

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That so much of an act, entitled an "Act to Incorporate The Philadelphia Saving Fund Society," approved the twenty-fifth day of February one thousand eight hundred and nineteen, as may be held or construed to limit the investments of the said society, other than in real securities, to the loans of the United States, and of this Com-

monwealth, be, and the same is hereby repealed: *Provided*, That nothing herein contained shall be taken to authorize the said society to purchase or discount promissory notes, bills of exchange, or other individual securities, or to purchase or lend upon shares of stock, in joint stock companies or corporations.

WM. ELLIOTT,
Speaker of the House of Representatives.

JAS. S. RUTAN,
Speaker of the Senate.

APPROVED—The first day of March, Anno Domini one thousand eight hundred and seventy-two.

JNO. W. GEARY.

AMENDMENT

TO THE CHARTER OF

The Philadelphia Saving Fund Society.

The moneys deposited shall bear such rate of interest, not less than three per cent. per annum, as shall be fixed by the board of managers, and shall be repaid, when required, upon two weeks notice, with the interest thereon, to the time of such notice; but no change of the rate of interest shall be made except prior to the commencement of the year to which it shall be first applied, and notice thereof posted in a prominent position in the banking-house.

By the Court of Common Pleas, No. 3, for the County of Philadelphia, March Term, 1879.

Recorded in Charter Book No. 4, p. 478, &c.

AMENDMENTS

TO THE CHARTER OF

The Philadelphia Saving Fund Society.

ARTICLE IV. *To read as follows:*

December 5, 1882

The moneys deposited shall bear such rate of interest as shall be fixed by the BOARD OF MANAGERS, provided that the rate shall be not less than Three per cent. per annum on

sums not exceeding FIFTEEN HUNDRED DOLLARS, and not less than Two per cent. per annum on the excess of any deposit over Fifteen Hundred Dollars. Deposits shall be repaid when required, after two weeks' previous notice, when the sum demanded shall not exceed FIVE HUNDRED DOLLARS, and after such notice as may be prescribed by the regulations, not greater than sixty days when the sum demanded shall exceed Five Hundred Dollars.

Additional Article.

In all cases where the deposit shall exceed the sum of Five Hundred Dollars, no part of such excess shall be required except upon the notice, not greater than sixty days aforesaid. No change in the rate of interest shall be made except prior to the commencement of the year to which it shall be first applied, and upon not less than twenty days' previous notice thereof posted in a prominent position in the banking-house.

ARTICLE V. *To read as follows:*

No sum less than One Dollar shall be received as a deposit. And no interest shall be allowed on any deposits until they amount to the sum of FIVE DOLLARS, the interest on which shall not be less than three per cent. per annum. Every additional sum of Five Dollars that may be deposited shall bear interest at the same rate until the amount deposited shall exceed the sum of Fifteen Hundred Dollars; and upon such excess, interest shall be allowed as may be prescribed by the regulations at a rate not less than two per cent. per annum.

By the Court of Common Pleas, No. 3, for the County of Philadelphia, March Term, 1879.

Recorded in Charter Book No. 7, page 281, &c.

AMMENDMENT

TO THE CHARTER OF

The Philadelphia Saving Fund Society.

June 10, 1884

It shall be the duty of the President of The Philadelphia Saving Fund Society to forward to the Speaker of the House of Representatives of this Commonwealth, on or before the first Monday of January, 1885, and biennially thereafter, a

statement (to be verified by oath or affirmation of the President and Treasurer if required by the Speaker) showing the whole number of the depositors on the books of the said Society on the first day of January preceding, and showing the number of depositors having sums on deposit not exceeding fifty dollars, how many depositors there are from fifty to one hundred dollars, how many from one to two hundred dollars, how many from two to five hundred dollars, and how many of five hundred dollars and upward.

Common Pleas, No. 3, March Term, 1879, No. 1337.
Recorded in Charter Book No. 9, p. 252, &c.

AMENDMENTS

TO THE CHARTER OF

The Philadelphia Saving Fund Society.

ARTICLE I. *To read as follows:*

June 11, 1895

The institution shall be conducted by twenty-five Managers, who shall annually, on the first Monday in January, choose one of their number as President, and may choose another of their number as Vice-President, and shall have power to appoint a Secretary, Treasurer, and such other officers as the business of the corporation may require.

The seat of any Manager who shall have neglected to attend for three successive stated meetings, may be vacated by the Board, and any of the officers of the Society may be removed at the pleasure of the Board.

ARTICLE III. *To read as follows:*

No Manager, except the President, and Vice-President, shall receive any remuneration whatever for his services. The President and Vice-President may receive such compensation for their services as shall be fixed by the Board of Managers.

ARTICLE IV. *To read as follows:*

The moneys deposited shall bear such rate of interest as shall be fixed by the Board of Managers, provided that the rate shall be not less than three per cent. per annum on sums not exceeding

fifteen hundred dollars, and not less than two per cent. per annum on the excess of any deposit over fifteen hundred dollars, and under four thousand dollars, and not less than one per cent. per annum on all sums exceeding four thousand dollars.

Deposits shall be repaid when required, after two weeks' previous notice, when the sum demanded shall not exceed one hundred dollars, and after such notice as may be prescribed by the regulations, not exceeding sixty days, when the sum demanded shall exceed one hundred dollars.

ARTICLE V. *To read as follows:*

No sum less than one dollar shall be received as a deposit. And no interest shall be allowed on any deposits until they amount to the sum of five dollars, the interest on which shall not be less than three per cent. per annum.

Every additional sum of five dollars that may be deposited shall bear interest at the same rate until the amount deposited shall exceed the sum of fifteen hundred dollars; and upon such excess, and under four thousand dollars, interest shall be allowed as may be prescribed by the regulations at a rate not less than two per cent. per annum, and not less than one per cent. per annum on all sums exceeding four thousand dollars.

By the Court of Common Pleas, No. 3, Philadelphia, March Term 1879.

Recorded in Charter Book No. 10, p. 314.

APPENDIX V

A List of the Founders, Their Associates and of the Other Managers from the Organization of the Society; and also of the Board of Appointment, Officers and Auditors.

Founders

Condy Raguet	1816–1821	1836–1842	Died
Richard Peters, Jr	1816–1840	Resigned	
Clement C. Biddle	1816–1855	Died	
Thomas Hale	1816–1840	Resigned	

Associated with the Founders

John Strawbridge	1816–1824	Resigned	
John C. Stocker	1816–1825	Resigned and elected Secretary	
Roberts Vaux	1816–1821	Resigned	
William Schlatter	1816–1820	Resigned	
John McCrea	1816–1821	1822–1829	Resigned
Charles N. Bancker	1816–1826	Resigned	
Samuel Breck	1816–1819	1836–1839	Resigned
Andrew Bayard	1816–1832	Died	

Elected

Samuel Spackman	1816–1821	Resigned
Richard Bache	1816–1824	"
Samuel Archer	1816–1829	"
Reuben Haines	1816–1821	"
Henry Hollingsworth	1816–1818	"
Adam Konigmacher	1816–1821	Died
Turner Camac	1816–1824	Resigned
Samuel Humphreys	1816–1817	"
James Schott	1816–1817	"
Israel Cope	1816–1818	"
Isaac W. Norris	1817–1820	"
Samuel B. Morris	1817–1827	"
Joseph Rotch	1817–1820	"
John Vaughan	1817–1821	"
Ludwig Krumbhaar	1817–1825	"
Daniel B. Smith	1818–1835	"
Matthew C. Ralston	1818–1824	"
John J. Vanderkemp	1819–1855	Died
Samuel R. Wood	1820–1828	Resigned
Jacob S. Otto	1820–1821	"
William Chaloner	1821–1824	"
Charles Graff	1821–1825	"
John C. Lowber	1821–1834	Died
William L. Hodge	1821–1824	Resigned
Jerome Keating	1821–1823	"
Thomas Hart	1821–1826	"
Lawrence Lewis	1821–1855	Died
William McIlvaine	1822–1824	Resigned
John Wharton	1823–1829	"
John R. Neff	1824–1863	Died

APPENDIX V

By Operation of the Board of Appointment

George McCallmont	1824–1827	Resigned	
James Latimer	1824–1826	"	
Ashbel G. Ralston	1824–1833	"	
Thomas Fassit	1824–1836	Died	
Quintin Campbell	1825–1863	"	
Robert Toland	1825–1826	Resigned	
John C. Smith	1825–1828	"	
George Vaux	1826–1836	Died	
John A. Brown	1826–1872	"	
Francis R. Wharton	1826–1840	Resigned	
Francis G. Smith	1826–1873	Died	
Samuel Grant	1827–1860	Resigned	
Thomas H. White	1827–1859	Died	
William Davidson	1828–1847	"	
William Smith	1828–1861	"	
Philip H. Nicklin	1829–1842	"	
Sansom Perot	1829–1836	Resigned	
John Bacon	1829–1859	Died	
James B. Smith	1829–1837	Resigned	
William D. Lewis	1829–1839	"	
Thomas Biddle	1833–1834	"	
Horace Binney	1834–1836	1837–1840	Resigned
Nathan Dunn	1834–1844	Died	
John S. Riddle	1836–1840	Resigned	
Thomas C. Rockhill	1836–1853	"	
Samuel Jaudon	1836–1837.	"	
Thomas Dunlap	1836–1839	"	
Tobias Wagner	1837–1868	Died	
Charles Vezin	1840–1853	"	
Jacob R. Smith	1840–1865	"	
Lewis Waln	1840–1863	"	
George Campbell	1840–1855	"	
Caleb Cope	1841–1888	"	
Samuel W. Jones	1841–1873	"	
William Platt	1841–1859	Resigned	
John Keating	1841–1856	Died	
James Dundas	1843–1865	"	
Henry J. Williams	1843–1867	Resigned	
Thomas Robins	1845–1882	Died	
Adolph E. Borie	1848–1880	"	
Samuel Welsh	1853–1890	Resigned	
I. Pemberton Hutchinson	1853–1866	Died	
Joseph Swift	1855–1882	"	
John R. Wucherer	1855–1877	"	
William H. Hart	1856–1877	"	
Mordecai D. Lewis	1856–1861	"	
Wm. V. Keating	1856–1894	"	
William Harmar	1859–1872	Resigned	
S. Morris Waln	1859–1870	Died	
James Bayard	1859–1874	"	
Mordecai L. Dawson	1861–1866	Resigned	
Joshua B. Lippincott	1861–1886	Died	
John Lambert	1862–1901	"	
Charles Willing	1863–1887	"	
George W. Norris	1863–1870	Resigned	
Joseph Harrison, Jr.	1864–1873	"	
Alexander Biddle	1865–1899	Died	
Samuel Field	1866–1891	"	
James C. Hand	1866–1884	"	
Edward Shippen	1866–1904	"	

Edward H. Trotter	1867–1872	Died
James L. Claghorn	1868–1884	"
J. Gillingham Fell	1871–1874	Resigned
Lindley Smyth	1871–1898	Died
William Wister	1872–1881	"
J. Rodman Paul	1872–1877	"
Alexander Brown	1873–1893	"
P. Pemberton Morris	1873–1888	"
John T. Lewis	1874–1891	"
John J. Thompson	1874–1875	"
Thomas Cochran	1874–1899	"
Samuel J. Reeves	1874–1878	"
Edward S. Buckley	1878–1910	"
Robert M. Lewis	1878–1899	"
Pemberton S. Hutchinson	1878–1903	"
William H. Merrick	1878–1905	Resigned
William H. Trotter	1881–1898	Died
George Whitney	1881–1885	"
Caspar Wister	1882–1888	"
Alexander Henry	1882–1883	"
Edward S. Clarke	1883–1898	"
Alfred M. Collins	1885–1887	Resigned
Henry N. Paul	1885–1899	Died
Thomas McKean	1885–1898	"
Thomas H. Montgomery	1886–1905	"
J. Dickinson Sergeant	1886–1909	"
John T. Lewis, Jr	1888–	
John H. Converse	1888–1910	Died
Edward H. Coates	1888–	
Henry W. Biddle	1889–1914	Resigned
Henry C. Townsend	1889–1899	Died
John T. Morris	1891–1915	"
Owen J. Wister	1891–1896	"
G. Assheton Carson	1891–1913	"
J. Percy Keating	1894–1906	Resigned and elected Solicitor
Effingham B. Morris	1894–	
Charles Platt	1898–1909	Died
Arthur E. Newbold	1898–	
William W. Justice	1898–1914	Died
William H. Jenks	1899–1909	"
C. S. W. Packard	1899–	
J. Rodman Paul	1899–	
Charles E. Ingersoll	1899–	
Josiah M. Bacon	1899–1901	Died
Louis A. Biddle	1899–1907	Resigned
G. Colesberry Purves	1902–	
T. DeWitt Cuyler	1902–	
Francis I. Gowen	1902–	
John W. Pepper	1906–	
Edward Coles	1906–1906	Died
Charles Biddle	1906–	
George C. Thomas	1906–1909	Died
George McCall	1907–	
James Rawle	1907–1912	Died
Henry H. Collins	1908–	
Chas. B. Penrose	1909–	
John B. Morgan	1909–	
James Logan Fisher	1910–	
Robert C. Drayton	1910–1915	Died
Alba B. Johnson	1911–	
Francis A. Lewis	1911–	

APPENDIX V

James McCrea.....1912–1913 Died
James M. Willcox.....1913–
S. Pemberton Hutchinson.....1913–
Thomas S. Gates.....1914–
Stevens Heckscher.....1914–
John Hampton Barnes.....1915–
Edward F. Beale.....1915–

BOARD OF APPOINTMENT

Under Act of 1824

Hon. William Tilghman.....Chief Justice of the Supreme Court of Pennsylvania.
" Moses Levy.....President of the District Court for the City and County of Philadelphia.
" John Hallowell.....President of the Court of Common Pleas for the City and County of Philadelphia.
" Joseph B. McKean.....President, District Court, as above
" Edward King..... " Court of Common Pleas " "
" Joseph Barnes..... " District Court " "
" John B. Gibson.....Chief Justice Supreme Court " "
" T. M. Pettit.....President, District Court " "
" Joel Jones..... " " " " "
" George Sharswood..... " " " " "
" J. S. Black.....Chief Justice Supreme Court " "
" Oswald Thompson.....President, Court of Common Pleas " "
" Ellis Lewis.....Chief Justice Supreme Court " "
" Walter H. Lowrie..... " " " " " "
" George W. Woodward " " " " " "
" Joseph Allison. President, Court of Common Pleas " "
" James Thompson.....Chief Justice Supreme Court " "
" J. I. Clark Hare.....President, District Court " "
" John M. Read.....Chief Justice Supreme Court " "
" Daniel Agnew..... " " " " " "

Under Constitution of 1874

Hon. Joseph Allison.....President. Court of Common Pleas No. 1
" J. I. Clark Hare..... " " " " " " 2
" James R. Ludlow " " " " " " 3
" M. Russell Thayer..... " " " " " " 4
" T. K. Finletter..... " " " " " " 3
" Samuel W. Pennypacker.. " " " " " " 2
" Craig Biddle..... " " " " " " 1
" Michael Arnold..... " " " " " " 4
" J. Willis Martin..... " " " " " " 5
" Mayer Sulzberger " " " " " " 2
" Robert N. Willson..... " " " " " " 4
" Charles B. McMichael.... " " " " " " 3
" F. Amedee Brégy..... " " " " " " 1
" Charles Y. Audenried " " " " " " 4
" Norris S. Barratt..... " " " " " " 2

A LIST OF OFFICERS FROM THE ORGANIZATION OF THE SOCIETY

PRESIDENTS

Andrew Bayard.....1816–1832 Died
Thomas Hale.....1832–1833 Resigned
John C. Lowber.....1833–1834 Died
Clement C. Biddle.....1834–1855 "
John R. Neff.....1855–1855 Pro tem
Lewis Waln.....1855–1863 Died
Caleb Cope.....1864–1888 "
Pemberton S. Hutchinson.....1888–1903 "
G. Colesberry Purves.....1903

THE PHILADELPHIA SAVING FUND SOCIETY

VICE-PRESIDENTS

William Purves	1884–1886	Died
Pemberton S. Hutchinson	1886–1888	Elected President
G. Colesberry Purves	1902–1903	" "
James M. Willcox	1903	

SECRETARIES

George Billington	1816–1825	Change of By-Law
John C. Stocker	1825–1826	Resigned
George Billington (reappointed)	1826–1835	Died
George Greiner	1835–1849	"
William Purves	1849–1886	" Elected Vice-President 1884
G. Colesberry Purves	1887–1902	Elected Vice-President
James M. Willcox	1902–1904	Elected Vice-President 1903
Samuel Woodward	1904	

TREASURERS

George Billington	1816–1835	Died
George Greiner	1835–1849	"
William Purves	1849–1886	" Elected Vice-President 1884
G. Colesberry Purves	1887–1902	Elected Vice-President
James M. Willcox	1902–1904	Elected Vice-President 1903
Samuel Woodward	1904	

ASSISTANT SECRETARIES

G. Colesberry Purves	1884–1887	Elected Secretary
Samuel Woodward	1902–1904	Elected Secy. & Treas.
Alvin S. Fenimore	1904	

ASSISTANT TREASURERS

G. Colesberry Purves	1884–1887	Elected Treasurer
Oliver P. Cornman	1902–1905	Died
Thomas J. Beck	1906	

SOLICITORS

Richard Peters, Jr.	1816–1828	Gratuitously as members of the Board
John C. Lowber	1821–1828	
Thomas I. Wharton	1828–1856	Died
Henry Wharton	1856–1880	"
George Tucker Bispham	1881–1906	"
J. Percy Keating	1906	

COMPTROLLERS

James McKee	1904–1905	Resigned
Robert H. Fels	1905	

AUDITORS

Elected by the Managers

James Paul	1817
Henry Pratt	1817, 1818, 1822
Samuel Humphries	1817, 1818
James Whitehead	1818
William Jones	1819
Peter Miercken	1819

APPENDIX V

Robert Smith.....1819
Thomas McEwen.....1820, 1821
Joseph P. Norris.....1820
Daniel Smith.....1820
David Lenox.....1821
George Latimer.....1821
Paul Beck.....1822
John Read.....1822
William Davidson.....1823
Henry Kuhl.....1823
Henry Nixon.....1823

Chosen by the Board of Appointment

Charles Pleasants.....1824 to 1832
James Taylor.....1824, 1825
John Roberts.....1824 to 1826
Charles N. Bancker.....1826 to 1838
Thomas P. Roberts.....1827 to 1843
Henry Toland.....1833 to 1838
George N. Baker.....1839 to 1853
Cadwalader Evans.....1839
Daniel Groves.....1840 to 1845
Isaac W. Norris.....1844 to 1846
William Musser.....1846 to 1852
Henry Schively.....1847 to 1852
Hugh Campbell.....1853 to 1856
David Webster.....1853, 1854
David Lewis.....1854
Thomas Dunlap.....1855
James Dunlap, Jr.....1855
George W. Biddle.....1856
Charles Macalester.....1856
Jonas A. Phillips.....1857
James Dunlap.....1857 to 1864
Robert McMullen.....1857
Thomas Balch.....1858
George F. Thomas.....1858 to 1860
George Junkin, Jr.....1859
John F. Brinton.....1860
James Otterson, Jr.....1861
Gilbert S. Parker.....1861 to 1874
James E. Gowen.....1862
George Northrop.....1863
Furman Sheppard.....1864
Samuel G. Thompson.....1865 to 1902; 1904 to 1908
James G. Wilson.....1865, 1866
Richard Smith.....1867 to 1870
S. Decatur Smith.....1871
D. W. Sellers.....1872
W. M. Tilghman.....1873, 1874
William J. McElroy.....1875, 1876
William Binney.....1875
William W. Montgomery.....1876, 1877
James H. Castle.....1877
Sussex D. Davis.....1878 to 1915
William Rotch Wister.....1878 to 1910
Harry G. Clay.....1903
William Drayton.....1909 to 1915
Preston K. Erdman.....1911 to 1914
G. Heide Norris.....1915

APPENDIX VI

Committee of Finance January 1817

Committee of Investment December 1820

Finance Committee January 1889

	Elected
Condy Raguet (Resigned April 5, 1819) Thomas Hale John McCrea	January 6, 1817
Thomas Hale John McCrea John C. Stocker	April 5, 1819
Thomas Hale John C. Stocker (Resigned May 3, 1825) John J. Vanderkemp	January 1, 1821
Thomas Hale John J. Vanderkemp Charles N. Bancker (Resigned February 7, 1826)	May 3, 1825
Thomas Hale (Elected President September 5, 1832) John J. Vanderkemp Clement C. Biddle	January 2, 1827
John J. Vanderkemp Clement C. Biddle Daniel B. Smith (Resigned October 2, 1833)	January 2, 1833
Thomas Hale Clement C. Biddle (Elected President June 11, 1834) John J. Vanderkemp	October 2, 1833
Thomas Hale John J. Vanderkemp George Vaux (Died January 17, 1836)	January 5, 1835
Thomas Hale John J. Vanderkemp John R. Neff	February 3, 1836
John J. Vanderkemp John R. Neff Horace Binney (Resigned May 6, 1840)	January 6, 1840
John J. Vanderkemp John R. Neff Thomas C. Rockhill (Resigned October 5, 1853)	May 6, 1840
John J. Vanderkemp(Died December 4, 1855) John R. Neff Caleb Cope	October 5, 1853
John R. Neff (Resigned December 17, 1858) Caleb Cope Jacob R. Smith	January 7, 1856
Caleb Cope (Elected President January 4, 1864) Jacob R. Smith I. Pemberton Hutchinson	January 3, 1859

APPENDIX VI

	Elected
Jacob R. Smith (Died September 2, 1865) I. Pemberton Hutchinson Samuel Welsh	January 4, 1864
I. Pemberton Hutchinson (Died May 9, 1866) Samuel Welsh Thomas Robins	January 1, 1866
Samuel Welsh Thomas Robins Adolph E. Borie	June 6, 1866
Samuel Welsh Thomas Robins Joseph Swift (Resigned June 3, 1868)	January 7, 1867
Samuel Welsh Thomas Robins Edward H. Trotter (Died May 3, 1872)	June 3, 1868
Samuel Welsh Thomas Robins Alexander Biddle	October 2, 1872
(By-Law adopted March 2, 1881, increasing Committee to five)	
Samuel Welsh Thomas Robins (Died April 13, 1882) Alexander Biddle James C. Hand Robert M. Lewis	April 6, 1881
Samuel Welsh Alexander Biddle James C. Hand (Died January 16, 1884) Robert M. Lewis P. Pemberton Morris	January 2, 1883
Samuel Welsh Alexander Biddle Robert M. Lewis P. Pemberton Morris (Died March 1, 1888) Wm H. Trotter	March 5, 1884
Samuel Welsh Alexander Biddle Robert M. Lewis William H. Trotter Thomas Cochran	April 4, 1888
(By-Law adopted January 1, 1889, providing for a Chairman and making the President ex-officio a member of the Committee)	
Alexander Biddle, Chairman Samuel Welsh (Resigned May 7, 1890) Robert M. Lewis William H. Trotter Thomas Cochran Pemberton S. Hutchinson, ex-officio	January 1, 1889
Alexander Biddle, Chairman Robert M. Lewis William H. Trotter Thomas Cochran Edward S. Buckley Pemberton S. Hutchinson, ex-officio	May 7, 1890

	Elected
Alexander Biddle, Chairman Robert M. Lewis William H. Trotter Edward S. Buckley Henry C. Townsend Pemberton S. Hutchinson, ex-officio	January 5, 1891
Alexander Biddle, Chairman (Died May 2, 1899) Robert M. Lewis, Chairman after May 2, 1899 Edward S. Buckley Henry C. Townsend (Died April 24, 1899) G. Assheton Carson Pemberton S. Hutchinson, ex-officio	January 4, 1897
Robert M. Lewis, Chairman (Died December 27, 1899) Edward S. Buckley G. Assheton Carson J. Percy Keating William W. Justice Pemberton S. Hutchinson, ex-officio	June 7, 1899
Edward S. Buckley, Chairman G. Assheton Carson J. Percy Keating William W. Justice Edward H. Coates Pemberton S. Hutchinson, ex-officio (Died June 26, 1903) G. Colesberry Purves, ex-officio	January 1, 1900
(By-Law adopted February 3, 1904, increasing Committee to seven and providing for rotation)	
Edward S. Buckley, Chairman G. Assheton Carson J. Percy Keating William W. Justice Edward H. Coates William H. Jenks G. Colesberry Purves, ex-officio	February 3, 1904
Edward S. Buckley, Chairman William W. Justice Edward H. Coates William H. Jenks John T. Lewis, Jr. Effingham B. Morris G. Colesberry Purves, ex-officio	January 2, 1905
Edward S. Buckley, Chairman William H. Jenks John T. Lewis, Jr. Effingham B. Morris John H. Converse Arthur E. Newbold G. Colesberry Purves, ex-officio	January 1, 1906
Edward S. Buckley, Chairman Effingham B. Morris John H. Converse Arthur E. Newbold John T. Morris George C. Thomas G. Colesberry Purves, ex-officio	January 7, 1907

APPENDIX VI

	Elected
Edward S. Buckley, Chairman Arthur E. Newbold John T. Morris George C. Thomas Charles Platt T. DeWitt Cuyler G. Colesberry Purves, ex-officio	January 6, 1908
Edward S. Buckley, Chairman (Resigned May 5, 1909) George C. Thomas (Died April 21, 1909) Charles Platt (Died January 23, 1909 T. DeWitt Cuyler J. Rodman Paul John W. Pepper G. Colesberry Purves, ex-officio	January 4, 1909
T. DeWitt Cuyler, Chairman J. Rodman Paul John W. Pepper C. S. W. Packard Charles E. Ingersoll Francis I. Gowen G. Colesberry Purves, ex-officio	May 5, 1909
John W. Pepper, Chairman C. S. W. Packard Charles E. Ingersoll Francis I. Gowen Charles Biddle George McCall G. Colesberry Purves, ex-officio	January 3, 1910
Charles E. Ingersoll, Chairman Francis I. Gowen Charles Biddle George McCall James Rawle Henry H. Collins G. Colesberry Purves, ex-officio	January 9, 1911
Charles Biddle, Chairman George McCall James Rawle (Died May 1, 1912) Henry H. Collins Charles B. Penrose John B. Morgan G. Colesberry Purves, ex-officio	January 8, 1912
Henry H. Collins, Chairman Charles B. Penrose John B. Morgan James Logan Fisher Robert C. Drayton Alba B. Johnson G. Colesberry Purves, ex-officio	January 6, 1913
John B. Morgan, Chairman James Logan Fisher Robert C. Drayton Alba B. Johnson Francis A. Lewis S. Pemberton Hutchinson G. Colesberry Purves, ex-officio	January 5, 1914

THE PHILADELPHIA SAVING FUND SOCIETY

	Elected
Robert C. Drayton, Chairman (Died November 15, 1915)	
Alba B. Johnson, Chairman after November 15, 1915	
Francis A. Lewis	January 4, 1915
S. Pemberton Hutchinson	
John T. Lewis, Jr.	
Thomas S. Gates	
G. Colesberry Purves, ex-officio	
Francis A. Lewis, Chairman	
S. Pemberton Hutchinson	
John T. Lewis, Jr.	January 3, 1916
Thomas S. Gates	
Edward H. Coates	
Stevens Heckscher	
G. Colesberry Purves, ex-officio	

BUILDING COMMITTEES

FIRST OFFICE built by Society (1839–1840)

No. 68, now 306 Walnut Street

Horace Binney (Resigned)
John J. Vanderkemp
Francis G. Smith
Architect, Thomas U. Walter.

PRESENT OFFICE, Nos. 700–710 Walnut Street

ORIGINAL BUILDING, 51 ft. front (1867–1869)

Joshua B. Lippincott, Chairman
S. Morris Waln
Joseph Harrison, Jr.
Edward Shippen
Alexander Biddle
Architect, Addison Hutton.

FIRST ADDITION, 25 ft. front (1883–1886)

Joshua B. Lippincott, Chairman
Edward Shippen
James C. Hand (Died)
Samuel Field
Pemberton S. Hutchinson
Edward S. Buckley
Architect, Addison Hutton.

LAST ADDITION, 75 ft. front (1897–1900)

Edward Shippen, Chairman
Henry C. Townsend
John T. Morris
John T. Lewis, Jr.
Pemberton S. Hutchinson
Architects, Furness, Evans & Co.

APPENDIX VII

MEMBERS OF THE FORCE WHO HAVE BEEN IN THE SERVICE OF THE SOCIETY FOR TWENTY YEARS AND LONGER

*John W. Bartleman	1834–1855
*Benjamin H. Pitfield	1857–1887
*Theodore G. Boggs	1857–1907
*Richard V. Boswell	1866–1891
*James McKee	1867–1905
Robert H. Fels, Comptroller	1870
Philip C. Mann, Head Receiving Teller	1870
James Kirkpatrick, Head Paying Teller	1870
*William C. Thompson	1870–1904
*H. Daniel Kellner	1871–1916
*William F. Fels	1873–1893
*John A. Inglis	1881–1914
*Harry A. Hovey	1882–1905
George H. Beatty	1884
Samuel Kirkpatrick, Accountant	1886
Anthony Schuhmann	1886
*John H. Fasy	1887–1906
James R. Stokes	1887
Percy M. Owens	1887
Alonzo P. Childs	1887
Frederick H. Bendig, Jr.	1887
Harry P. Smithson	1888
Corbit E. Naudain	1888
*Edwin A. Paris	1888–1912
Robert W. Bell	1888
Alfred J. Leberman	1888
*Charles W. Cushman	1889–1914
Robert H. Breeding	1889
Hugh Stevenson	1891
David N. Patterson	1892
Franklin C. Gerenbeck	1892
William G. Bowler	1892
Arthur G. Graham	1892
Joseph J. Diver	1892
George Gerenbeck	1893
John C. Beatty	1894
Elmer P. Weisel	1894
Allan McC. Craig	1894
John K. Bowler	1895
Bernardo de H. Stokes	1895
Robert A. Murray	1895
Trevor F. Faulk	1896
George H. Smyth, Real Estate Appraiser	1896

*Deceased

THE PHILADELPHIA SAVING FUND SOCIETY

MESSENGERS AND JANITORS

*George Fels	1857–1882
*William McKnight	1874–1910
Jacob Miller	1880
*Alexander Mercer	1883–1909
Michael Dunn	1884
Hugh Devitt	1885
John Thompson	1886
Wilmer B. Shaffer	1887
William McEldowney	1888
James A. McCloskey	1890
John C. Mitchell	1892

*Deceased